

COMMERCE, JUSTICE, SCIENCE, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2017

THURSDAY, MARCH 3, 2016

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Richard C. Shelby (chairman) presiding.

Present: Senators Shelby, Murkowski, Collins, Lankford, Mikulski, Feinstein, Shaheen, Coons, Baldwin, and Murphy.

DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

STATEMENT OF HON. PENNY PRITZKER, SECRETARY

OPENING STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. The subcommittee will come to order. Welcome to today's hearing of the Commerce, Justice, Science, and Related Agencies Appropriations Subcommittee.

This morning, we will hear from the Secretary of Commerce, Penny Pritzker, on the Commerce Department's fiscal year 2017 spending proposal. Madam Secretary, we welcome you and we thank you for being here.

The Department of Commerce is charged with serving several critical functions for our Nation. These include operating weather satellites and forecasting severe storms, enforcing trade laws to ensure American businesses can compete on a level playing field, working with distressed communities to spur economic development, and properly managing our Nation's fisheries.

The Department's 2017 request totals \$9.7 billion. This is \$500 million above the 2016 enacted amount and includes some significant steps forward.

The largest increase in the Department is \$264 million of additional funding for the Census Bureau as the agency continues to prepare for the 2020 Decennial Census.

In light of the increased funding, I am concerned by the Commerce Inspector General's assessment that the Bureau continues to face challenges in meeting its cost savings goals, and still needs to develop a defined schedule with key milestones as the 2020 Census approaches.

In another area, the planned funding decrease for our next generation of satellites, while maintaining the construction tempo, is a positive step forward.

However, I am discouraged by the delayed launch of the “GOES-R” satellite from October 2015 to October 2016. As the Government Accountability Office continues to point out, the potential for gaps in weather data coverage are real and serious for both flagship satellite programs.

I am disappointed that the Department has failed to fully adopt GAO’s recommendations to mitigate program risk, which I see as a symptom of the National Oceanic and Atmospheric Administration’s (NOAA) lack of commitment to launch these satellites on time and on budget. Madam Secretary, I hope you can discuss today how the Department’s 2017 budget is addressing these satellite launch and construction delays.

The Department also takes the lead role in managing our Nation’s fisheries. I have grave concerns about NOAA’s management process that has resulted in fewer days for fishermen to be out on the water. NOAA’s mismanagement of fisheries, like red snapper in the Gulf, has severely damaged and diminished the public’s confidence in NOAA’s ability to do the job.

To address these shortcomings, the subcommittee has directed NOAA to count fish where fish live, and commission independent studies comparing the status of fish stocks with NOAA’s internal data.

The subcommittee has also provided strong funding for at-sea monitoring while pushing NOAA to expand its adoption of electronic monitoring to increase coverage and reduce human observer costs. The subcommittee sees NOAA as an agency that is slow to adopt new technologies, and even the Commerce Inspector General has noted that NOAA has not yet developed a nationwide strategic plan for electronic monitoring.

I look forward to hearing later today from you how the Department’s 2017 budget would begin to provide a system that is more accountable to the fishermen and the businesses it affects.

NOAA’s request also includes some unexpected changes from last year, with the most significant being the Department’s 2017 request for a regional class vessel as a top need for recapitalizing NOAA’s fleet.

Madam Secretary, last year, you testified here that NOAA needed, and I will quote your words, “A high endurance, long-range, ocean survey vessel,” and as a consequence, this subcommittee invested \$80 million to begin new vessel construction in 2016.

Suddenly, however, reducing the proposed size of new vessel construction in 2017 is not only a surprise departure from the administration’s expressed need, it also changes the proposed use of the 2016 funds.

The request also raises serious questions about how NOAA will be able to effectively conduct its at-sea operations in the future.

I will have further questions on this matter, and I hope you can address that today.

Finally, the Department’s 2017 request would continue building out the National Network for Manufacturing Innovation. This subcommittee provided funding for the Department to establish one in-

stitute in 2016, with the understanding that it would be established through an open competition, encompassing all manufacturing-related research areas. Unfortunately, open competition was not expressed in the Department's Notice of Intent that was issued last December.

I am concerned that the 2017 request will result in the Department trying to pick winners and losers through another closed selection process.

I look forward to hearing your views on these matters, and working with our subcommittee members to address the concerns in the bill.

Senator SHELBY. Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much, Mr. Chairman. Of course, we welcome Secretary Penny Pritzker to present the Department of Commerce's budget.

Before I make comments to the Secretary, I would like to congratulate you on winning your recent primary, and I understand they call you "Landslide Shelby" in Alabama as of this morning.

Senator SHELBY. Thank you.

Senator MIKULSKI. It was a well-deserved victory on your behalf. Also, I just bring to everyone's attention that today there are also two other hearings going on, Labor, Health and Human Services, and Military Construction and Veterans Affairs. Senator Cochran has set a very quick paced schedule so that we can follow regular order hopefully at the end, and I am sure members will be joining us.

Madam Secretary, first of all, just know we are really proud of you. I am very proud of you and the job that you are doing. You have come to the Department of Commerce after we went through three Commerce secretaries and acting secretaries. I think Dr. Becky did a good job.

You have really brought not only stability to the agency, but your keen business skills, management oversight, and as expected by the President and the American people, you are the American Ambassador to American business, and also to foreign business.

We think that what you have done there focusing on open for business in jobs and the economy, promoting U.S. business and products overseas where we could actually export products, bringing investments to America, distinguished companies investing so we could together grow our jobs, and helping American companies with the challenges of today, many of which are related to things like cyber criminals, and how we can help solve real world problems to help them.

Then doing day to day things, like the fabulous weather service that we have worked together on a bipartisan basis to memorize.

I am very proud of the Commerce agencies in my own State: NOAA is headquartered, the National Institute of Standards and Technology (NIST) is headquartered, and Census is headquartered. It is not about trophies, it is about looking at what they do every single day. I will comment on them as we go along.

I also want to thank the chairman for once again including as part of our record the Inspector General's review of those things that are hot topics and hot spots in terms of managing.

I know you take the job very seriously, particularly of oversight. The Census has plagued us. Senator Shelby and I began in the House Energy and Commerce. Every Census seems to have some kind of techno boondoggle. We would hope that this time we not only make sure that every American counts and every American is counted, but we do it in a way that we really make the most effective use of taxpayer dollars.

There is the issue of satellites. You were in the satellite business. We cannot have weather without satellites, and again, how we do it in a cost effective way, and also a technologically productive way.

We look at the National Institute of Standards, an agency that is often overlooked and undervalued, which if America is going to do business in the global workplace, we have to have American standards, not China standards.

That agency over there, dear colleagues, does everything from mammogram quality standards so that our radiology equipment meets the standards of the scientific community, and it also is looking at earthquake resilient buildings, why the World Trade Center fell, how to do all that, and at the same time, it is now helping the private sector have a civilian agency to work on cybersecurity problems, where the private sector working with the Department of Commerce brings together expertise to do that.

The chairman here is in the Banking Committee. Well, there are the big banks, the big banks, huge, huge, but anyway, the fact is that in my own home State, we have small savings and loans. We have credit unions. They need to know how to protect themselves, and they will be able to do that.

Again, we helped modernize the weather service so we now have the American model, not only the European model, again through a supercomputer, and then we also need to be able to look at some of these other issues.

I know that we want to get on with the hearing, but the Commerce Department does so much to save lives, save communities through the weather service, every accurate prediction, one mile of evacuation costs \$1 million, to the fact of what are we doing to promote jobs in the country through national manufacturing.

Mr. Chairman, let's get on with the testimony. I could just extol the virtues of the Commerce Department, let's make sure we give them the appropriations they need.

Senator SHELBY. Madam Secretary, we welcome you again. You proceed as you wish.

SUMMARY STATEMENT OF HON. PENNY PRITZKER

DEPARTMENT OF COMMERCE BUDGET REQUEST

Ms. PRITZKER. Thank you very much, Mr. Chairman, Vice Chairwoman Mikulski, and members of the subcommittee. Thank you for the opportunity to lay out the priorities of President Obama's fiscal year 2017 budget request for the Commerce Department.

Building on your strong support over the last 3 years, this request will enable the Department of Commerce to serve as an effective

tive voice of business in the Federal Government, continue our work with the private sector on policy development, and help firms of all sizes enter new markets.

Our fiscal year 2017 budget request provides \$9.7 billion in discretionary funding to support our core priorities under our open for business agenda, while also allowing us to make our Department more efficient.

The agenda is focused in four key areas: promoting trade and investment, spurring innovation and entrepreneurship, gathering and acting on environmental intelligence, and fueling a data driven economy.

Today, I want to highlight just a few key initiatives under each of these areas. First, the budget request will enable our Department to better serve American businesses as they seek to access the 96th percent of potential customers who live beyond our borders.

Increasing trade and investment is critical to growing our economy. Nearly 10 million U.S. jobs are supported by exports. This budget request will allow us to expand the footprint of the foreign trade specialists who help American companies navigate exporting into new markets. It will strengthen our team's ability to enforce trade laws that protect U.S. industries from unfair trade practices, and ensure foreign governments' compliance with international trade agreements.

We are also requesting funding to expand SelectUSA, the first ever whole of government effort to facilitate business investment to and within the United States.

Second, the budget request will also increase investment in the National Network of Manufacturing Innovation, which was established to ensure America's global leadership in manufacturing.

Each institute has an unique focus, but a common goal, to create, showcase, and bring new made in America capabilities and manufacturing processes from lab to market in the near future.

The Department of Commerce oversees the network of seven existing institutes, and we have the unique authority to establish new institutes in technology areas selected by industry.

Another key piece of our agenda is ensuring that communities and businesses have the information they need to prosper in a changing environment. This budget request supports the National Oceanic and Atmospheric Administration's core mission, to promote more resilient communities, including fostering healthy marine resources and improving forecasting accuracy and lead times for severe weather.

To ensure NOAA retains a robust observational infrastructure, the budget also provides \$2.3 billion to fully fund the next generation of weather and environmental satellites, including the Polar Follow-on satellite program.

Finally, recognizing that data powers the 21st century economy, the Census Bureau is committed to achieving a 2020 Census that is both accurate and efficient, with the goal of keeping the per household cost below that of the 2010 Decennial Census.

Investing wisely now in preparation for the 2020 Census will potentially save the American taxpayers more than \$5 billion. To

achieve these savings, this request provides \$1.6 billion to develop, test, and implement innovative design methods.

The fiscal year budget request furthers priority programs that have a strong return on investment for America taxpayers. Ultimately, these priorities are only a small piece of the Commerce Department's work to develop and implement policies that support economic growth, enhance our country's competitiveness, and strengthen America's businesses, both at home and abroad.

I look forward to answering your questions today, and thank you for having me.

[The statement follows:]

PREPARED STATEMENT OF HON. PENNY PRITZKER

Chairman Shelby, Vice Chairwoman Mikulski, and members of the subcommittee, thank you for this opportunity to discuss President Obama's fiscal year 2017 budget request for the U.S. Department of Commerce. The priorities included in the fiscal year 2017 budget request build upon the important investments you enacted in fiscal year 2016 and I am grateful for your support.

As the Secretary of the Commerce, it is my responsibility to ensure that the Department's resources are allocated to the highest priority programs and projects that provide the largest benefits for businesses, communities, and workers across the United States. With the \$9.7 billion in discretionary funding requested for Commerce in the fiscal year 2017 budget, I believe we can make significant progress in all of our key mission areas that we carry out on behalf of the American people.

I'm proud that my Department has played such an integral role in creating 14 million jobs and helping to set the Nation on a fiscally responsible course, but I am cognizant of the immense challenges that remain in front of us. The funding in the fiscal year 2017 budget is designed to address those challenges by making critical investments in the following key areas: promoting exports and foreign investment; increasing research and development opportunities to foster technological innovations and the digital economy; strengthening entrepreneurship and the U.S. economy; fueling a data-driven economy; and supporting the environment and natural resources.

At the same time, the fiscal year 2017 budget also reflects the difficult tradeoffs that were made to capitalize on ways to operate more efficiently and reduce costs.

Our fiscal year 2017 budget request directly aligns with the Department's "Open for Business" Agenda, which reflects Commerce's unique role as the voice of business and the administration's focus on economic growth and job creation. Through the "Open for Business" Agenda, successful initiatives have been launched to help American businesses prosper in foreign markets, improve market access to make sure American companies are on equal footing when competing abroad, and leverage public-private partnerships to enable businesses and communities to make better use of Government data.

None of our achievements would be possible without the support of the Congress and especially the members of this subcommittee. I look forward to working with you so that we can continue to build on our economic momentum and accelerate our growth both in the United States and around the world.

Outlined below in greater detail are specific investments that we have prioritized in the fiscal year 2017 Department of Commerce budget:

PROMOTING TRADE AND INVESTMENT

The United States is the world's largest exporter and importer of goods and services, and the world's largest recipient of foreign direct investment. Increasing trade and investment is critical to growing our economy as nearly 10 million U.S. jobs are now supported by exports. In 2015, the United States exported \$2.23 trillion in goods and services and our exports are flourishing in worldwide markets from China to Brazil to Mexico.

The fiscal year 2017 President's budget requests \$521 million for the International Trade Administration (ITA), which is nearly an 8 percent increase over the fiscal year 2016 enacted amount. This funding level will allow ITA to expand the presence of its foreign trade specialists, both overseas and domestically, as well as strengthen ITA's trade enforcement team.

Within its topline, the budget includes \$20 million for ITA to expand SelectUSA, which seeks to recruit foreign businesses to invest and create new jobs in the United

States. Moreover, the Department of Commerce will serve as the host for the SelectUSA Investment Summit, an annual event that attracts thousands of international and national leaders from businesses, economic development organizations, government, and other industry stakeholders. This year's Summit is scheduled for June 19–21 in Washington, DC.

Other funds will support ITA's efforts to make it easier for U.S. companies of all sizes to reach consumers who live beyond our borders. ITA is educating companies about markets opened by Free Trade Agreements and working with industries so they can overcome obstacles in foreign markets and take advantage of export financing options. At the same time, this budget will support ITA's efforts to vigorously enforce our trade laws, and protect American jobs by ensuring a level playing field for American companies.

The President's budget also provides \$127 million for the Bureau of Industry and Security (BIS), a \$14 million increase over the fiscal year 2016 enacted level. These resources will augment BIS' ongoing domestic and international efforts to curtail illegal exports while facilitating secure trade with U.S. allies and close partners. The fiscal year 2017 request enables BIS to proactively engage with U.S. industries and foreign governments and companies and help them better understand and comply with complex regulations that govern U.S. trade and enforcement policies (such as the Export Administration Regulations).

SPURRING INNOVATION AND TECHNOLOGY

The budget increases investment in some of the Department's most effective programs to spur innovation and economic growth in the manufacturing sector.

Launched in 2012, the Federal Government spearheaded a national effort to create public-private institutes focused on manufacturing innovation. The National Network for Manufacturing Innovation (NNMI) was established as a way to accelerate development and adoption of cutting-edge manufacturing technologies for new products that can compete in international markets. Each NNMI has a unique focus, but a common goal to create, showcase, and deploy new capabilities and new manufacturing processes.

The \$1 billion request in the budget for the National Institute of Standards and Technology (NIST) builds on this initiative. Specifically, \$42 million is provided to sustain the first Commerce-led institute and launch two new institutes (in total, the President's budget request funds five new manufacturing institutes).

Funding in fiscal year 2017 further supports NIST's efforts to accelerate research and development at its national laboratories to expand labs-to-market transfers of innovations in manufacturing and other technologies. In a separate-but-related effort, the budget invests \$50 million in mandatory spending for a new competitive grant program within the Economic Development Administration (EDA) to incentivize partnerships between Federal Labs, academia, and regional economic development organizations enabling the transfer of knowledge and technologies from Labs to private industry for commercialization.

An additional \$141 million investment is proposed for the Hollings Manufacturing Extension Partnership (MEP), which focuses on expanding technology and supply chain capabilities to support technology adoption by smaller manufacturers to improve their competitiveness.

The fiscal year 2017 budget request is responsive to pressing issues that require innovative and thoughtful solutions.

Recognizing that the national and economic security of the United States depends on the reliable functioning of critical infrastructure, the budget focuses on improving the Nation's cybersecurity posture. This is an area of increased emphasis throughout the Federal Government. As more and more sensitive data is stored online, the consequences of attacks grow more significant each year.

The President is establishing the Commission on Enhancing National Cybersecurity, comprised of top strategic, business, and technical thinkers from outside of Government—including members to be designated by the bi-partisan congressional leadership. The National Institute of Standards and Technology (NIST) will provide the Commission with support to allow it to carry out its mission.

In addition, the National Telecommunications and Information Administration's (NTIA) fiscal year 2017 budget of \$51 million will enable the agency to develop and implement policies to meet challenges related to Internet openness, privacy, security, and the digital economy. These resources will enable NTIA's BroadbandUSA to work with State and local governments, nonprofits, and researchers to overcome obstacles to increase broadband access and adoption in communities looking to expand their communications infrastructure.

The fiscal year 2017 budget request demonstrates the administration's continued commitment to broadband telecommunications as a driver of economic development, job creation, technological innovation, and enhanced public safety. The President's broadband vision of freeing up 500MHz of spectrum (band) for commercial use, promoting broadband competition in communities throughout the country and connecting over 99 percent of schools to high-speed broadband connections through the ConnectED initiative will create thousands of jobs and ensure that students have access to the best educational tools available.

STRENGTHENING U.S. ENTREPRENEURSHIP AND THE ECONOMY

Entrepreneurship is a key driver of the economy and a pathway for millions of hard-working Americans to provide for their families. In support of that goal, the fiscal year 2017 budget provides for key investments in the U.S. Patent and Trademark Office (USPTO), the Minority Business Development Agency (MBDA), and the Economic Development Administration (EDA).

The \$3.2 billion request in fiscal year 2017 for the USPTO will help American entrepreneurs and businesses bring their innovations to the marketplace. Funded entirely by fees from their users, USPTO continues to lead America's innovation community by making it easier for American entrepreneurs and businesses to develop, protect, and scale their inventions. These breakthroughs help pave the way for new technologies and jobs.

As the USPTO carries out its mandates under the America Invents Act, it remains focused on adopting policies and programs that embolden and strengthen the Nation's intellectual property system. USPTO recently opened four permanent regional offices across the Nation and will hire subject matter experts to reduce the backlog of unexamined patents while ensuring pending applications are reviewed expeditiously. USPTO also will implement administrative actions proposed by the President's Task Force on High-Tech Patent Issues and build an intellectual property system outfitted for the 21st Century.

Another critical priority in fiscal year 2017 is to continue supporting the national growth of minority-owned U.S. businesses. The President's budget requests \$36 million for the Minority Business Development Agency (MBDA), a \$4 million increase from the fiscal year 2016 enacted level.

Minority-owned firms make a significant and valuable contribution to our economy and export at a higher rate compared to all U.S. firms. Additionally, with an eye on developing future leaders of America, \$3.6 million is targeted for a new MBDA Business Innovation for Young Entrepreneurs program. This program will create a coordinated approach to engage, educate and build capacity among young minority entrepreneurs through competitive grants in regions of the U.S. with high concentrations of minorities, youth, and unemployment.

Finally, the budget focuses resources on supporting economic growth in American communities. The fiscal year 2017 request provides \$258 million for the Economic Development Administration (EDA) to support innovative economic development planning, regional capacity building, and capital projects. Within this amount, \$20 million is included for the Regional Innovation Strategies Program to promote economic development projects that spur entrepreneurship and innovation at the regional level.

EDA's budget includes a variety of assistance programs, such as: \$35 million for Partnership Planning to support local organizations with their long-term economic development planning efforts and outreach; \$50 million for Economic Adjustment Assistance aimed at critical investments such as economic diversification planning, and implementation, technical assistance, and access to business start-up facilities and equipment; and \$85 million for Public Works infrastructure.

FUELING A DATA-DRIVEN ECONOMY

Data powers the 21st Century economy, and Commerce Department data touches every American and informs countless business decisions every day. The Census Bureau is committed to achieving a 2020 Census that delivers on the core mission to be as accurate as possible while keeping costs at or below the per-household cost of the 2010 decennial census. Streamlining, modernizing, and automating operations in preparation of the 2020 Decennial Census will potentially save the American taxpayer more than \$5 billion when compared to the cost of repeating the 2010 Census design without sacrificing quality.

The budget provides \$1.6 billion to support key development and implementation of innovative design methods necessary to achieve these goals for the 2020 Decennial Census. This includes \$104 million for the Census Enterprise Data Collection

and Processing (CEDCaP) IT system that will provide a necessary foundation for newly-automated 2020 data collection and processing operations.

In accordance with the Federal Digital Strategy, the Census Bureau has set a goal to unlock the potential of our data and products to better meet the needs of its users. This budget includes funding to enable users such as businesses, policy makers, and the American public to make better data-driven decisions based on enhanced statistics, easy-to-use tools, and standardized data elements.

The budget provides for a planned cyclical increase for the Economic Census, which is the official 5-year measure of American business and the economy. In addition, \$115 million is requested for the Economics and Statistics Administration (ESA) and the Bureau of Economic Analysis (BEA) to leverage data to forge enhanced collaboration and expertise across the Federal Government as well as provide timely, accurate, and relevant economic statistics in an objective and cost-effective manner. Included in this budget request is a proposal that will create a county level GDP measure to help policy makers at all levels of government and businesses better target investments to areas of need and measure the impact of these investments.

SUPPORTING THE ENVIRONMENT AND NATURAL RESOURCES

The Department's commitment to supporting the environment and natural resources is demonstrated through its request of \$5.8 billion for the National Oceanic and Atmospheric Administration (NOAA). The budget, which is a \$77 million increase over the fiscal year 2016 enacted level, focuses on supporting NOAA's core missions, including deploying the next generation of weather satellites and observational infrastructure, fostering healthy marine resources, strengthening resiliency, and improving forecasting accuracy and lead times for severe weather.

To ensure the robustness of NOAA's observational infrastructure, the budget provides \$2.3 billion to fully fund the next generation of weather satellites. This includes \$393 million for the Polar Follow-On satellite program enabling NOAA to maintain an optimal launch schedule to help minimize the risk of any potential gap in weather data in a cost-effective manner. The Department recently released its Commercial Space Policy and is exploring the viability of buying more weather data from the private sector.

The budget invests \$1 billion for the National Marine Fisheries Service and \$570 million for the National Ocean Service, including \$20 million for an expanded competitive Regional Coastal Resilience Grants Program to help reduce the risks and impacts associated with extreme weather events and changing ocean conditions and uses. The budget further provides \$9 million to help fishing communities, which face significant climate challenges, become more resilient to the impacts of fisheries disasters. These competitive funds will assist communities that have sustained a disaster to become more environmentally and economically resilient through activities such as ecosystem restoration, research, and adaptation.

An additional \$12 million is requested for a new Integrated Water Prediction (IWP) initiative that will leverage the National Water Center in Tuscaloosa, Alabama. The IWP will link current expertise around the country to promote innovation in water prediction capability and services, such as providing high-resolution water information and critical water forecast information to local decision makers, emergency managers, and members of the public.

Fiscal year 2017 funding also supports maintaining research facilities, such as \$4.6 million to begin prep work, planning, and design to replace the Northwest Fisheries Science Center facility in Mukilteo, Washington (on Puget Sound). The facility has deteriorated to a point that it poses a near-term safety risk and threatens NOAA's mission and operations in the region. NOAA conducts important multidisciplinary research at this facility which supports the commercial and recreational fisheries in the Northwest.

To better understand the impacts of increasing levels of atmospheric carbon dioxide on ocean chemistry and marine resources, the budget includes \$22 million for an expanded ocean acidification research program at NOAA.

Building a Weather-Ready Nation and evolving the National Weather Service (NWS) to become a more agile decision support organization capable of providing timely responses and increasingly accurate weather forecasts is a continuing area of emphasis for the Department. The budget invests more than \$1.1 billion for NWS, which includes funding to make the United States a Weather-Ready Nation (WRN). The Department focuses on continuing to evolve NWS into a fully integrated field structure issuing consistent products and services. To support a Weather-Ready Nation, the budget requests a \$5 million increase from the fiscal year 2016 enacted

level for the Advanced Weather Interactive Processing System Cyclical Refreshment, which is the telecommunications systems and cornerstone of NWS' field operations.

The budget provides \$24 million to complete design, acquisition, and construction of a multi-mission regional survey vessel (RSV), which will support fishery surveys critical to species management, habitat and hydrographic surveys, and disaster response. The fiscal year 2017 funding, combined with the \$80 million Congress provided in fiscal year 2016, will help NOAA begin to recapitalize its fleet. Without further investment, NOAA's fleet is projected to decline by 50 percent (from 16 to 8 vessels) in the next 10 to 12 years.

Separately, the budget includes \$100 million in mandatory funds to begin construction on a second RSV as part of a multi-year NOAA fleet recapitalization initiative.

MODERNIZATION INITIATIVES

Commerce is in the process of modernizing its infrastructure to protect the safety of employees and provide quality service to citizens. Many of these efforts will ultimately result in future savings. Commerce is requesting \$12 million for the ongoing renovation and modernization of its headquarters, the Herbert C. Hoover Building (HCHB). This funding is critical to the completion of Phase 5 of an 8-phase project. Phase 5 is tentatively scheduled to begin in June 2017 and end in April 2019.

This renovation provides the solutions to replace major building systems (mechanical, electrical, plumbing, heating, ventilation, air conditioning, and life safety systems) that are beyond their useful life and deteriorating. Systems being replaced will be more energy efficient and cost effective to run. It also includes the Department's effort to improve upon space utilization, decrease reliance on leased space, and reduce the Government's footprint.

The budget supports \$45 million for the Shared Services initiative that will enable bureaus to modernize mission support functions by leveraging information and services in the core areas of Human Resources (HR), Acquisition, Financial Management, and Information Technology (IT). The objective is to establish a new, customer-focused shared service model that will provide internal Department of Commerce customers with easier access to information. This includes high quality service, an improved customer experience, performance (management) measurement, external provider support, shared service independence, standardization, continuous process improvement and process transparency.

The upfront investment of establishing a shared service model is projected to generate significant cost savings by creating economies of scale and allowing bureaus and offices to pay only for the services they need rather than building their own infrastructure. Although actual cost savings are not known at this time, shared services initiatives tend to save organizations 20 to 40 percent by the end of the third year of their existence.

INTEGRATING INNOVATIVE BEST PRACTICES INTO CORE AGENCY OPERATIONS

To further the President's goals of improving customer service and enhancing the efficiency of Government, Commerce requests \$6 million to support a Commerce Digital Services team, which will focus on two goals: (1) managing high priority projects to deploy digital solutions quickly across Commerce bureaus, and (2) improving Commerce's systems to provide end users state-of-the-art technological tools.

CONCLUSION

The fiscal year 2017 budget continues investments in those priority programs that have a strong return on investment for our Nation's taxpayers and make a tangible difference in the lives of millions of Americans. During my tenure at Commerce, we have shown that, by working together, we can make significant strides toward setting a stable foundation for economic growth; providing U.S. businesses with the necessary tools and resources to succeed; and to ensuring that America continues to lead the global economy in the 21st century. With this budget, I am confident that we will keep America "Open for Business." I look forward to working with this subcommittee and the rest of the Congress to achieve these important goals.

NOAA'S OCEAN CLASS AND REGIONAL CLASS VESSELS

Senator SHELBY. Thank you, Madam Secretary. Last year, you testified before this subcommittee, Madam Secretary, that one of the Department's highest priorities was funding a high endurance, long-range ocean class vessel for NOAA. In turn, this subcommittee

provided \$80 million in 2016 to begin construction of the ocean class vessel, which was contingent upon receiving a fleet recapitalization plan.

Now, it is our understanding the Department is proposing to build a smaller regional class vessel in 2017 using the 2016 funds. In addition, we still have not received a fleet plan from the Department, which I understand is being held at the Office of Management and Budget.

A question. How does construction of a regional class vessel instead of an ocean class vessel affect the time line for replacing NOAA's ships?

Ms. PRITZKER. Mr. Chairman, let me step back for a minute. Our fleet, we have 16 ships, half of our fleet will retire over the next 12 years. Our challenge is we need both ocean class vessels and regional class vessels.

We have been working with the Office of Management and Budget (OMB) on our fleet plan and how it fits into a national fleet plan. That has held up our being able to release our own fleet plan, but it should come out, I am told, any week now.

In the President's budget this year, we have \$24 million—which first of all, I want to thank the subcommittee for the \$80 million appropriation last year—if you combine the \$24 million in the President's budget, that allows us to do a regional class vessel.

We stand ready to work with the subcommittee on whether to begin with a regional vessel or how to proceed. What I do know for certain is we need both regional class vessels and ocean class vessels, and we need to start now recapitalizing our fleet, because we have a significant amount of retirements that are coming up, and what we do know is that ships take about 6 to 8 years from the day you decide you are going to proceed to the time you are fully in operation.

Our goal is to work with you and your staff to make sure that we have a recapitalization plan that everybody is on the same page, because we need to proceed with this, or we are going to find ourselves without the observational platform that we need, without the research that is necessary to protect and work with our fisheries, et cetera, and do our climate work.

FLEET PLAN

Senator SHELBY. Madam Secretary, how confident are you that the fleet plan that OMB is holding will actually meet NOAA's at-sea operational needs?

Ms. PRITZKER. Mr. Chairman, it is my objective that we cannot put forward a fleet plan that does not meet NOAA's needs, so that is part of the process that is going on. We have to make sure the plan that is proffered is one that—that we are able to do our work.

We have a large responsibility, as so many of you here in this room know, whether it affects the snapper in the Gulf or the groundfish in the Northeast, or salmon, et cetera, or our work on oceans and ocean acidification, I could go and on, we have to be able to have a platform that is functional. That is part of the process that we are going through now.

Senator SHELBY. But how confident are you that the OMB plan that they are holding will do all this?

Ms. PRITZKER. We are not going to let a plan—I cannot stand in front of you and have a plan that we proffer that we are not confident in.

Senator SHELBY. You have not signed onto it yet, have you?

Ms. PRITZKER. Well, we are in the process of internal processes of completing it, and until it is—

Senator SHELBY. Evaluating it?

Ms. PRITZKER. We are evaluating it. Once it is complete, by the time we come to you, it is going to be a plan that we are confident we can do our work.

Senator SHELBY. I understand, Madam Secretary, the Commerce Department has commissioned an independent review team to examine NOAA's fleet recapitalization. When will this plan be available for the subcommittee to evaluate, to review?

Ms. PRITZKER. We have commissioned an independent review. The purpose of that analysis is to continue to supplement what we know, making sure that we are aware of the latest technologies that we are including, the most efficient life cycles, that we are maximizing fleet readiness.

The plan, I believe, will be finished at some point this year, I think some time in the fall. The goal of it is to continue to inform our fleet proposals, because this is a process that is going to go on for a very long time because of the significant need that we have, but we have to make sure we are also constantly making sure we are giving the best advice in terms of maximizing fleet readiness and making sure we have the right staffing models, et cetera. We welcome that kind of input.

WEATHER SATELLITES

Senator SHELBY. In the area of the weather satellites, the Department oversees, to my understanding, two flagship weather satellite programs that are critical for forecasting hurricanes, super storms, severe weather outbreaks, and so forth.

NOAA's Polar satellite program has been on the Government Accountability Office's (GAO) high risk list since 2013. There remains a significant possibility of a gap in data between NOAA's existing polar satellite and the next one to launch.

In addition, it is my understanding that GAO found that NOAA's geostationary satellite program had to once again delay launch of its newest weather satellite due to poor schedule performance. This resulted in an 1 year delay from its originally planned launch date.

My questions are these, how does the Department's 2017 request adequately address the concerns raised by GAO and the Department's own Inspector General for keeping these satellite programs on schedule and on budget, and secondly, when can we expect the Department to fully implement the rest of GAO's recommendations to strengthen NOAA's satellite programs?

Ms. PRITZKER. Well, first of all, Mr. Chairman, thank you and thank you to the subcommittee for your consistent commitment to our satellite programs. We are keenly aware of the risk of gaps. That is something that I personally watch very carefully. We do everything we can to mitigate those gaps.

You know, if you look at our program, right now, in terms of robustness, our GOES program, our GOES-R program, you are ex-

actly right, we did delay the GOES-R launch to October because there was during a pre-test a failure of some of the instruments, and that needed to be addressed. When that failure occurred, I personally called the CEO of Lockheed Martin and asked her to monitor this program because it is of such great importance to all of us. We cannot afford any kind of gaps in our weather satellite program.

Fortunately, our GOES program does have what we call a “spare in the air,” so we do have some robustness there. The program that is more fragile is our Joint Polar Satellite System (JPSS) or our Polar program, which does not have a spare in the air, which is one of the reasons in our current budget we have a significant request for our Polar Follow-on, because we need to get that kind of robustness up in the air where we have an extra satellite in case, God forbid, one of them goes down.

Our 2017 budget continues to move us along to increase robustness of our Polar program, which is extremely important for our long-term weather forecasts and things like that.

FISHERY MANAGEMENT

Senator SHELBY. In the area of fishery management, last year the subcommittee provided funding for an independent stock assessment for reef fish in the Gulf of Mexico. The subcommittee also provided clear direction for the Department and NOAA to improve its management of fisheries by counting fish in areas where the fish live, such as around artificial reefs.

How does the 2017 request follow the direction of this subcommittee to improve fisheries management by counting the fish where they are in the environment, including around reefs, and how will NOAA take advantage of new technologies such as electronic monitoring and reporting to improve the accuracy of data collected and allow fishermen to have more days on the water?

We basically believe there is a super abundance of red snapper and other reef fish in the Gulf of Mexico, because we managed it pretty well. Nobody wants to over fish anything, but the snappers are so big now, they are eating their own, among other things.

Ms. PRITZKER. Well, first of all, the rebound of the snapper population is something that everyone is very pleased with, and making sure we sustain snapper recovery is something that we are focused on.

On the larger questions of monitoring, we put out yesterday—the IG yesterday put out something saying that we need to have more electronic monitoring. We are piloting—in this budget, we are piloting electronic monitoring and we are expanding it from five fisheries to add an additional seven fisheries within the budget.

That is something we should continue to do. We also have to test to make sure the electronic monitoring is actually accurate and working. That is why it is a pilot.

We have to continue to work with the regional stakeholders to implement this program, and as you said, to make sure we are counting the fish where they are. It is something that we take seriously. We are happy to work with your staff to make sure that they have all the details of what we are doing in this area.

Senator SHELBY. Thank you. Senator Mikulski.

MANUFACTURING EXTENSION PARTNERSHIPS

Senator MIKULSKI. Madam Secretary, I know both the President and you are very concerned about jobs and job growth, and certainly the electorate is. That is one of the big topics, and also there is not one member of this subcommittee that is not worried about jobs.

Now, we note in your request, the National Institute of Standards and Technology (NIST) funds two programs aimed particularly at manufacturing, all of us up here have felt the very keen, keen loss of manufacturing. Of course, what the private sector says is government does not create jobs, the private sector does. I agree with that.

Tell me, what then would your manufacturing extension partnership increase buy, and how would that help create jobs and jobs in manufacturing? Is that really what we should be doing?

Also, there is an one time mandatory funding of close to \$2 billion, \$1.9 billion, for the National Network for Manufacturing Innovation Institutes, 45 of them government-wide. You and I have talked about it, but we want jobs in America, we want jobs that will not leave America, and what we can say to our constituents who are either worried their jobs are going to China or their jobs are going to go to a robot?

Ms. PRITZKER. Well, first of all, thank you for all the support that you have given the Department in so many different areas. As it relates to NIST, which is I think you and I agree is a national treasure, it is an important part of our government, but NIST's role in terms of manufacturing extension partnerships and manufacturing at-large is very important.

I will tell you as someone who came from the private sector into this job, when I learned of the manufacturing extension partnerships, I was skeptical that government actually could help small manufacturers really improve their processes and make them more globally competitive.

I have had a 180 degree turn around now that I have learned and seen and visited these programs, and talked to small and medium sized manufacturers.

We have just re-competed our manufacturing extension partnerships, a number of them, so that we can make sure our resources are going to places where we have an abundance of small and medium sized manufacturers. It is a very, very important program that allows a small or medium sized manufacturer to get the best, learn the latest and greatest processes or technologies available to keep them globally competitive.

That is one way we are working very closely, so that our manufacturers can thrive. We have created about 900,000 manufacturing jobs in the last 5 plus years in the United States. We need to do more. The United States is very competitive for manufacturing, and we just need to continue to invest in our workforce and invest in the companies that are manufacturing.

NATIONAL NETWORK OF MANUFACTURING INNOVATION

The National Network of Manufacturing Innovation is a really important program. We have seven facilities, seven institutes

today. The Department of Commerce through the Revitalized Advance Manufacturing Act, the RAMI Act, and through your appropriations has made the Department of Commerce responsible for two different aspects of this.

The first is to run the network. It is extremely important that we do not just have these institutes out there separately, but we are taking advantage of best practices, that we are sharing technology between our institutes, we are sharing how do you include small manufacturers, what are the best ways to do that. How do you make sure the workforce is being developed at the same time, whether it is for 3D printing or composite materials or digital manufacturing?

We run the network, which you have appropriated and we have been authorized to do, which is terrific, but you have also asked us, and the chairman raised this, about our ability to do our own institutes at the Department of Commerce. You have given us the unique authority to create new institutes where the industry determines the technology. We have no preconceived notion as to what those technologies will be.

In an earlier notification we put out, here is what the President's Advanced Manufacturing Committee had said were interesting technologies, but we have not pursued those.

The point being the United States Federal Government, I believe, is doing a very efficient job by partnering locally either through our manufacturing extension partnerships or our National Network of Manufacturing Innovation, which both require matching funds locally, both require the engagement of local resources, academics as well as the private—

Senator MIKULSKI. Madam Secretary, I appreciate this, but what you are saying is through these institutes, the private sector comes to these institutes with either an idea that they would like to see if there is a possibility to develop, or how to improve their process; is that right?

Ms. PRITZKER. Well, the Manufacturing Extension Partnership (MEP) helps them improve processes and—

Senator MIKULSKI. My time is almost up.

Ms. PRITZKER. Yes, exactly.

LAB TO MARKET TECH TRANSFER INITIATIVE

Senator MIKULSKI. Now, we win the Nobel Prizes, many of which we win in Maryland, but then we do not always win the markets. I see in your appropriations there is a lab to market tech transfer initiative with a total of \$8 million. That is like a spit off the Chesapeake Bay, Bay Bridge, and hoping you are going to raise the tide.

Everywhere I go, I see our Federal labs doing spectacular work, or labs by proxy, Federal labs. In other words, the funding that goes to academia through this, and then it is a so what, the careers in research are very exciting, but I want to see these ideas move to products under American standards that are American jobs, that give us jobs here in exports.

Is this enough to do it, and while you have the future of this and the national center for that, and the advanced this, \$8 million for

this, should this not be one of the highest priorities here of really tech transfer?

Ms. PRITZKER. Absolutely.

Senator MIKULSKI. With Commerce leading the way?

Ms. PRITZKER. Absolutely. One of our highest priorities is lab to market tech transfer. We need it throughout both at NOAA as well as at NIST and in other areas. We obviously in our budget are trying to balance priorities and stay within—

Senator MIKULSKI. Colleagues, I bring this to your attention as we work on the budget. I think you have all visited universities and others in your State. I really think our socks are down on the tech transfer, I really do.

It cuts across this administration and previous ones, but I think we are such a cornucopia of ideas that could mean something, and I would hope that we would look at how not only could we give them more money but more direction on lab to market.

I want to win those Nobel Prizes, but I really do want to win those markets. My time is up.

Ms. PRITZKER. I appreciate that, Senator. I am happy to have our staff work with yours to improve our efforts on tech transfer.

Senator SHELBY. Senator Collins.

AT-SEA MONITORING COSTS FOR FISHERMEN

Senator COLLINS. Thank you, Mr. Chairman. Madam Secretary, this weekend I will be attending the Annual Fishermen's Forum in the State of Maine. I know NOAA officials will be there as well.

I can predict to you right now that I am going to hear a number of concerns from Maine's groundfish industry, and one concern will focus on NOAA's announcement that as of Tuesday of this week, New England ground fishermen will be on the hook, pun intended, for all at-sea monitoring costs. This will put our already struggling fishermen in an even more precarious financial position.

The situation is becoming so dire that Maine fishermen are now having to use fisheries disaster assistance funds, which are intended to replace lost fishing revenue, to instead pay for at-sea monitoring.

Congress had repeatedly expressed its concern about NOAA's plan through report language that was drafted by this subcommittee and became law as part of the Omnibus. It encouraged NOAA to work with the New England Fisheries Management Council to find a resolution to the disruption of federally funded at-sea monitoring, and to work on a transition plan.

Will you direct your NOAA officials who are going to be at the forum this weekend to truly sit down with our fishermen and try to work out a solution that does not result in even more of the ground fishermen in my State and throughout New England losing their livelihoods?

Ms. PRITZKER. Senator, absolutely I will have my NOAA representatives sit with the ground fishermen and do the best we can to support them. I appreciate the really challenging pressure situation that they face.

Just as it relates to at-sea monitoring, unfortunately, we lost a legal case in the United States Court of Appeals, and now we are required—that case requires NOAA to spend funds on mandatory

bycatch monitoring first. Unfortunately, we do not have sufficient funds or the flexibility to fund the New England groundfish monitoring because we have to do this bycatch monitoring.

We will at this meeting absolutely sit down with the fishermen.

Senator COLLINS. Well, let me address that court decision because that is an issue that Senator Ayotte recently raised with the Deputy Assistant Administrator of NOAA. In fact, the language that we put in the Omnibus gives NOAA the flexibility to substitute other funds.

It is accurate that the court says that this has to be funded, but it is not accurate to say other funds could not be used to help bear part of the cost of this.

There is actual language in the Omnibus that says if additional funds are available from another funding source for observer sea days, those observer days can be allocated according to other priorities, and would not necessarily have to be allocated according to the SBRM process. The report lists potential other funding sources.

I appreciate your willingness to have discussion about that, but the court does not completely tie NOAA's and the Department's hands, especially given our language.

CHINA'S MARKET ECONOMY STATUS

I want to switch to another issue in my remaining time, and that has to do with China. Since 1981, the Department of Commerce has considered China to be a non-market economy for the purpose of conducting antidumping investigations due to the persistent and significant government intervention to artificially lower production costs.

That law, that requirement, to consider China as a non-market economy, has directly benefitted American workers seeking to combat unfair and illegal trade practices by China.

American workers who could be affected by future antidumping duties on China includes those at Auburn Manufacturing in the State of Maine, as well as those employed by our State's paper industry. They are concerned that China is now claiming that the U.S. and other World Trade Organization (WTO) members must treat it as a market economy beginning on December 11, based on China's interpretation of the WTO protocol on abstention.

There are many others who disagree with that and would point to China's continuing subsidization, the manipulation of its currency, and its flagrant violations of the principles of WTO.

What is your assessment of the progress or the lack thereof with respect to implementing real market oriented reforms that are required by its succession to the WTO? This is a really important issue to workers in my State and throughout the country.

Ms. PRITZKER. Senator, first of all, there is nothing in this WTO protocol that requires automatic granting of market economy status. As we always do, our antidumping and countervailing duty proceedings, which we run at the Department of Commerce, they are governed by U.S. law. U.S. law has six criteria in terms of determining whether an economy is entitled to market economy status.

Based on previous examinations that we have done in the past, China is not a market economy status, is not a market economy.

They could request a new evaluation, but we will apply U.S. law and the six criteria within our law. We can go through an evaluation of where they are as it relates to those criteria.

Senator COLLINS. Great. Thank you very much. Mr. Chairman, I would ask unanimous consent that the remainder of my questions, including the one on an important issue involving the U.S.-Canadian softwood lumber agreement, be submitted for the record.

Senator SHELBY. It will be made part of the record in its entirety. Senator Feinstein.

SALMON POPULATION IN THE DELTA

Senator FEINSTEIN. Thanks very much, Mr. Chairman. Thank you, Madam Secretary, for being here. With all the events that we have watched, you are doing a very good job, and that is very much appreciated.

I wanted to ask you about salmon in a somewhat similar way to what the Senator from Maine has done, because we have a big water problem, as you know, in California. We are in a drought emergency. It is the fourth year of that drought. The oceans are warming. The entire crab season is gone because of toxins in the water. It is a very complicated situation.

We now have over 40 million people in the State, and our water infrastructure was built when we had 16 million people. There are real problems.

I wanted to start out with something that I think you may be doing very well, and that is NOAA is conducting real time monitoring pilot programs to get a better sense of where fish are in the delta.

It is my understanding that in 2013, NOAA began implanting acoustic tags into endangered Winter-run Chinook. In 2015, NOAA began testing cheaper radio frequency identification tags, and it with these tags, I understand, that individual salmon can then be monitored in real time. Here is the problem. If salmon get caught up in the pumps to a certain number, the pumps go down and water is denied to the rest of the State.

Being able to know where endangered fish are is really important to make informed decisions rather than decisions based on intuition when you run these pumps.

How much of the salmon population in the Delta has NOAA now tagged?

Ms. PRITZKER. Senator, I do not know the exact percentage. I will get that information for you.

[The information follows:]

NOAA has tagged 300–600 hatchery-produced winter-run Chinook salmon with acoustic tags each year since 2013. This is a fraction of the overall annual hatchery production of winter-run Chinook, but tracking this number reasonably approximates the movement and survival of hatchery-produced winter-run Chinook in the Sacramento-San Joaquin system.

At this time, NOAA is not acoustically tagging native, wild-born winter-run Chinook, in the Sacramento-San Joaquin system, as this process is much more complicated due to the variable size of individual fish (some too small to hold a tag) and to the intensive cost, time and labor demands associated with catching a large enough number of wild fish to tag to produce a representative sample.

Senator FEINSTEIN. Would you?

Ms. PRITZKER. I know we are running those pilot programs.

Senator FEINSTEIN. When do you expect to transition these monitoring programs from pilots to large scale implementation?

Ms. PRITZKER. As soon as we are comfortable with the pilots, but I do not have the exact time. I will get that information for you. [The information follows:]

As of March 31, 2016, NOAA staff has proposed briefing times for Senator Feinstein's staff, scheduling to be determined.

Senator FEINSTEIN. Good. Do you know how NOAA would plan with these tags to make more informed decisions about water pumping levels?

Ms. PRITZKER. Well, as you pointed out, Senator, our goal is to try to balance the role that we have in order to protect the salmon and yet at the same time, as you and I have discussed in the past, to work to be as flexible as possible to try to address the drought challenges that California is facing.

That is really how we would intend to use the information, to be able to make more informed decisions that hopefully will allow for greater water availability, without deteriorating the populations.

Senator FEINSTEIN. I understand that. I am really interested in specifics in the program, perhaps you can arrange a briefing for me on that.

WATER TEMPERATURE GAUGES MALFUNCTIONING

Ms. PRITZKER. We will get a briefing for your staff.

Senator FEINSTEIN. Good; okay. Next question. As you know, the Federal Government operates a big cold water dam. It is Shasta Dam in Northern California. One of the problems that has happened is, I guess some would call it a failure to manage the cold water pool which has a temperature gauge, as I understand it, that broke in 2014, and broke again in 2015.

The agencies failed to accurately estimate how much cold water was available, and therefore, improperly drained all of the cold water by mid-September. As a result, temperatures in the Sacramento River rose to 62 degrees, which was fatal to the salmon eggs.

There was that repeated failure in 2015, when agencies failed to anticipate the temperatures at Shasta would be higher than expected, and withheld 250,000 acre feet through August.

We cannot have this kind of thing happen, and what I would like to ask that you do is once again take a good look at it and see whatever gauges we have are working correctly, and this does not happen again.

Ms. PRITZKER. Absolutely, Senator. We will follow up and we will make sure to get back to your staff on that as well.

[The information follows:]

As of March 31, 2016, NOAA staff has proposed briefing times for Senator Feinstein's staff, scheduling to be determined.

Senator FEINSTEIN. Okay. I have one other question but my time is out. I will yield. Thank you.

Senator SHELBY. Senator Murphy.

AQUACULTURE

Senator MURPHY. Thank you very much, Mr. Chairman. Madam Secretary, thank you for all of your work. I am always impressed with your testimony, the dizzying array of topics that you have to be master of is I know both a blessing and a curse.

I am going to build on some of the questions that Senator Collins and I tend to double up on, and those are questions about fisheries, and in particular, in Connecticut, as I have talked to you before, we are really the center of aquaculture research in the country with the Milford Lab.

I wanted to sort of present sort of a two level question for you. One to ask about the commitment in this budget and moving forward generally to supporting aquaculture.

As you know, 90 percent of the seafood that we consume in the United States today is imported, so we certainly have an interest in growing a domestic aquaculture industry, but if you pace it out, estimates are that by 2030, 60 percent of the fish that are going to be consumed in the United States will be from aquaculture, so we might as well be doing that here.

I wanted you to talk about, if you would, the broader commitment to aquaculture, and then specifically as you know, in Milford, Connecticut, we have one of the two NOAA labs nationwide that support this kind of research, and in Connecticut, we have 43 companies and 300 employees in this field that account for about \$25 million shellfish production alone, and that is growing.

From our perspective, aquaculture research is kind of one of these triple wins, in that you support a booming industry that is creating jobs, you grow our knowledge base about ocean health and ocean acidification that can have spillover effects on our efforts to combat warming oceans, and then, of course, increase the presence in our case of shellfish, which improves water quality and habitat.

So, I just wanted to pose those two questions for you, how can we support aquaculture at-large, and just want to make sure that your Department continues to have a commitment to robust funding for the Milford Lab, and there is a commitment to maintaining that lab in Milford, Connecticut.

Ms. PRITZKER. We are very much committed to the Milford Lab and the great work that the people are doing there. We also are committed to our growing research in aquaculture. In fact, in your budget, we ask for an additional \$1.5 million to support that work, because we recognize how important it is, and we also know it is strongly supported by the East Coast shellfish aquaculture industry. We try to do work in a place where industry would support the research that we are doing.

Both the facility and the work are extremely important, and we are committed to both.

Senator MURPHY. Just for your edification, we are really starting to see some great public-private partnerships on that campus. It is a very small campus right on the Sound in Milford, but we have already had a lot of interest from private companies to come in and start to partner with our researchers there. So, a really great commitment to public-private partnerships there.

COASTAL RESILIENCY

Just one last question on the general issue of coastal resiliency, so with NOAA's help funded through Sandy relief dollars, Connecticut stood up a Connecticut Center for Climate Resilience.

The idea here is to really help leverage State dollars, local dollars, and private dollars that are going into trying to protect our coast line from what will be the next major storm. Long Island Sound is the most urbanized estuary in the country, so we are particularly vulnerable.

Setting that center is not enough. We are going to need help keeping it up and operational, and our idea is that for a little bit of money, you are able to leverage a lot smarter investment of Federal, State, and local dollars. We have 169 towns in Connecticut. They do not often have the expertise locally to know how to best use dollars for resiliency purposes.

An ongoing commitment to a Center of Excellence like the one that we have developed in Connecticut, I think, is a great way to make sure that a small amount of Federal dollars goes a long way towards the coastal resiliency that the Department has been very committed to.

Ms. PRITZKER. Thank you.

Senator SHELBY. Senator Lankford.

INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (ICANN)

Senator LANKFORD. Thank you. Good to get a chance to visit with you again. I appreciate you being here and getting a chance to go through this budget time period.

Let me ask you several things. Let me start with some of the conversation about the Internet Corporation for Assigned Names and Numbers (ICANN), which we talked about a little bit last year as well. In 2014, the National Telecommunications and Information Administration (NTIA) announced its intention to transition its stewardship role over the Internet. What is the status of the transition at this point?

Ms. PRITZKER. Where we are at is we are waiting a proposal from ICANN. We have not received a proposal. What we have done is we have said that there are really two buckets of issues that we are concerned about.

First is the issue of ICANN's ongoing governance, and the second question is really about making sure that when we receive a proposal, the criteria, what we thought about what are the criteria that will be necessary for us to suggest that we approve this proposal, and those are really five.

One is to make sure that the proposal supports and enhances a bottom up multi-stakeholder model. Second is it needs to maintain the security and stability and resiliency of the domain name system, and third is it needs to meet the expectations of the global customers and partners.

It obviously has to maintain the openness of the Internet, and then we are not going to accept any kind of proposal that replaces the NTIA role with some intergovernmental organization or some other government led organization.

The goal here is to have ICANN remain and the domain name process remain a multi-stakeholder driven model——

Senator LANKFORD. Let me try to drill down a little bit on that. Mr. Chehade has made several comments on trips to China, and has said interaction with China and China being part of this is not an option, and opened a global engagement office in Beijing, and has had a big push on that.

What role do you think China has in this multi-stakeholder approach? Obviously, China being the dead last of all nations to allow the free Internet, so what role do you anticipate China is going to have in the ICANN process?

Ms. PRITZKER. What we are trying to do is make sure there is no government roles being played in the ICANN domain name process.

Senator LANKFORD. The struggle is the global engagement office in Beijing obviously has multiple government leaders that are a part of that, and Mr. Chehade has made multiple conversations, multiple events, with the Chinese government. It is difficult to say there is not going to be government leadership in China when it seems to be all the connections are around China and what is currently happening with ICANN.

Ms. PRITZKER. I think Mr. Chehade is leaving ICANN.

Senator LANKFORD. Correct.

Ms. PRITZKER. What he is choosing to do afterwards is his business. Our concern is to make sure that whether it is China or any other government, because there are other governments that would like to take over the domain name process, and we are not going to allow that. That is not the objective here. The objective is to keep it in the multi-stakeholder domain.

Senator LANKFORD. Completely understand that. I would just say the concern is that obviously the Internet affects all of us, and it is very, very important that it remains open and free and not limited. We are very concerned. I am very concerned. The more we push a multi-stakeholder perspective on that, which we want to have all nations, all people, to be engaged on this, but when you are dealing with China and the way this has been dealt with in so many places, it raises red flags to me.

AMERICAN COMMUNITY SURVEY

Let me shift subjects, if I may. The American Community Survey, we have talked about before as well, that there was some piloting to test out the volunteer response, changing some language on the outside of the envelope, changing some of the ways that folks have been addressed, as I have addressed with you as well before.

I have constituents that call me that are very upset with the way they are being addressed when people come to their door and people call them talking about fines and penalties, and it seems very punitive to them in the process. This is an American Community Survey.

So, can you help me understand how the pilot is going towards changing the language and what has the response been.

Ms. PRITZKER. Well, we have heard loud and clear the concerns about the American Community Survey, and you know, the reason

we persist with it is because it is one of the most valuable data products available used extensively by non-governmental organizations (NGOs), by the government, by the private sector.

Senator LANKFORD. Correct, but you and I had talked before, because some of this information is available in the public domain right now.

Ms. PRITZKER. What we have been piloting is obtaining data from other sources. We have also been removing—looking at removing questions or asking certain questions less frequently, as well as improving the wording in our surveys so that it is not so heavy-handed, if you will, and then reducing also our follow-up contacts. In fact, we have reduced about 1.2 million phone calls from the way we ran the survey before.

We are trying to balance all of this with the need to have what we have seen from let's say Canada and other places as a voluntary survey, which reduces not only the quality of the survey, the reliability of the survey, but certainly has a negative impact on rural communities and parts of our country that are more in need.

We do not want to degrade the survey, but having said that, we have been listening loud and clear to the concerns that people have about the survey, and have been implementing a number of the changes I list.

Senator LANKFORD. Is that a report that comes to you with just changes and things that have been implemented, questions that have been changed, all the things you just mentioned to me? It sounds like that is gathering of data that is happening. Is that something we can get access to so we can see what are the real changes that are coming?

We know what it looked like last year, I would like to know where it is going and what the changes are that are responsive to that.

Ms. PRITZKER. Senator Lankford, I am happy to have my staff at Census and at the Department work with yours to make sure you are aware of what we have done.

Senator LANKFORD. And where we are headed.

Ms. PRITZKER. Great.

Senator LANKFORD. Thank you.

Ms. PRITZKER. Thank you.

Senator SHELBY. Senator Coons.

MANUFACTURING

Senator COONS. Thank you, Chairman Shelby, and Vice Chairwoman Mikulski, and thank you, Secretary, for your great service and what you have done to bring energy and focus and real leadership to the Department.

And thank you for visiting Delaware last October to celebrate National Manufacturing Day. We toured together two important Delaware manufacturers, Accudyne Systems and M Davis. It is a great way to highlight the opportunities for manufacturing for the next generation of American workers.

I am interested in talking about how we make every day Manufacturing Day, and what we can do together to advance manufacturing, and to give it sort of a different profile in our country.

Let me lay out two or three questions, and then if you would, take the remainder of the time to address them.

First, what do we do to change the view of manufacturing? Far too many guidance counselors, parents, and teachers, view manufacturing as dirty and dangerous and outdated. I do think changing its perspective, its profile, makes a big difference for the recruitment and training and placement of the hundreds of thousands of highly skilled manufacturers we need today.

COST-SHARE REQUIREMENTS FOR MEPS

Second, the manufacturing extension partnership, which I know Senator Mikulski asked about a moment ago, is of great interest to me. I am particularly concerned about the cost-share requirements, and the way that over time a 2-1 - 1 ratio, I think, drives many MEPs into acting more as consultants to businesses to generate revenue, and to reduce their focus on small or rural companies which is where I think they have the biggest impact.

My impression was that the National Institute of Standards and Technology's (NIST) biggest concern about the MEP going forward was this cost-share, and I would be interested in how you think permanently moving to a 1-1 cost-share might help it.

I am excited, as you know, about the National Network for Manufacturing Innovation (NNMI), and joined with Senator Kirk in passing the law last Congress that authorized it, and I would be interested in hearing how you see NIST's activities rolling out the next manufacturing institute. It is something I hope there will be regional applicants for, who will be competitive.

SELECTUSA

And last, I just wanted to commend you on your budget request under the International Trade Administration (ITA) for SelectUSA. We have seen ways in which it has made a real impact in Delaware, an Irish company, AB Group, recently relocated to Newark, Delaware, where I grew up. Without SelectUSA and its ability to showcase America's strengths and the capabilities and the draw of our market, I do not think it would have happened.

If you have a moment at the end, just how do we better support SelectUSA going forward? Thank you, Madam Secretary.

MANUFACTURING

Ms. PRITZKER. Thank you, Senator. First of all, in terms of manufacturing and the image of manufacturing, it is a big challenge in this country. Manufacturing Day is one way that we are addressing it.

When we began, I think we had several hundred companies open their doors for students in their local areas to go and visit manufacturers. We had our third Manufacturing Day last year. We had 2,500 companies open their doors. We had about 400,000 young people, their guidance counselors and their parents attend and visit and see what modern manufacturing looks like.

We set a goal this year of 3,000 manufacturers opening their doors. We are ambitious in growing the perception, and making sure that people understand that manufacturing is very different

from what it was 20 or 30 years ago. This year's Manufacturing Day is October 7, 2016. I hope everyone will participate in that event.

MEP

As it relates to our manufacturing extension partnerships, NIST has re-competed 22 centers in 20 different States over the past so far. The first Manufacturing Extension Partnership (MEP), we will not only have, I think, 20 of the centers reconfigure themselves to better serve their communities and are better located to match where the need is, but we also have for the first time, and I think Senator Murkowski would be happy about this, our first MEP in Alaska, which we are very excited about, awarded in September to provide training and technical assistance to seafood harvesters and processors.

You know, the thing that we have done with these new award-ees, and some are new and some are old, is to reconfirm that they are developing new partnerships, that their center activities are better aligned with what the communities and the State economic development organizations are doing.

We have also increased State and local funding, so we do not make the cost-share such that it is unfeasible. I am quite excited about what we have done there.

As it relates to the National Network for Manufacturing Innovation (NNMI), thank you very much to the subcommittee for the funding that we have received to both run the network as well as for the Department of Commerce to do its first institutes.

We have actually put out the RFP for our first institute. Our hope is to try and announce the recipient of that at the latest by the first quarter of next year. I am trying to encourage folks to get it done by the fourth quarter of this year.

It is a big move for the Department of Commerce. I am excited to see what the private sector comes up with. There has been some confusion about whether we have limited the categories, and the answer is we have not. It is completely open.

We are very excited about the role that we play in manufacturing, and we recognize how critical that is to job growth and the multiplier effect of manufacturing jobs in the United States.

Senator COONS. Thank you, Madam Secretary. Senator Baldwin and I co-lead an initiative called Manufacturing Jobs for America that has worked to develop legislation and to work across the aisle, and with your Department, to make sure that we have legislative proposals that address the needs of manufacturing. I look forward to talking with you more about that in the future. Thank you.

Senator SHELBY. Senator Murkowski.

ALASKA AND ARCTIC SURVEYING

Senator MURKOWSKI. Thank you, Mr. Chairman. Madam Secretary, welcome. We have had many opportunities to talk, and I think I always talk about fish. Well, today, I am not going to disappoint you, I am going to talk about fish, but I am also going to be talking about mapping, and let me start with that very quickly.

We have heard every year from the Department that surveying in the Arctic waters is a priority, and in fiscal year 2014 and 2015,

NOAA received \$25 million to contract for surveys, only \$4 million was spent on surveys each year in Alaska. The remainder was spent in the Gulf of Mexico. Fiscal year 2016, there was \$27 million for surveys, a slight improvement. We do not really know what the work plan is for this year.

My question to you this morning is I need to know that NOAA is placing a priority on Alaska and the Arctic, recognizing how woefully behind we are in surveying, and also if you can get for me some accurate estimates in terms of when NOAA will complete surveying the navigationally significant areas within the Bering Sea and in the Arctic.

Things are happening up there, and more and more vessels every day are going up, and the reality is we are still relying in many cases on data from the 1800s.

So, can you confirm to me that (a) we are placing a priority on Arctic and Bering Sea, and also that we have some kind of an action plan for these surveys?

Ms. PRITZKER. Senator, first of all, as you know, charting is core to the mission of NOAA, and we have charting the Arctic and charting Alaska waters as a high priority for NOAA, and there is no decrease in commitment or effort in this region. I will have my staff get to your staff the timing and specifics of that.

[The information follows:]

Briefing scheduled with Senator Murkowski's office on status of NOAA efforts to survey the Arctic and Bering Sea on April 26.

Senator MURKOWSKI. That would be very helpful, because I can tell you that just in the past 2 weeks, I have probably had no fewer than half a dozen different entities coming to me saying we have to make better progress on our charting.

RELOCATION OF RESEARCHERS

Let me ask about NOAA and its scientists, very abled men and women without a doubt, but so much of NOAA's scientific missions that are being carried out in Alaska, the scientists, the researchers, are located outside of the State. There are roughly 338 Federal employees assigned to Alaska fisheries and science jobs, the majority, about 255 people are actually in Seattle. We have 65 positions in Juneau, 12 in Kodiak, a couple in Anchorage and Dutch Harbor, one person in St. Paul.

The question to you this morning is whether or not you would consider relocating some of these research positions to the sites nearest their research, because what is happening is there are some significant travel expenses as we are bringing folks up from Seattle to do the research in Alaska. You have the per diem. You have all those costs. Then they go back to Seattle to do the work.

Again, these are great men and women in their fields. I am not faulting that. I would hope there would be an effort to look at whether or not we can station more of these fine people closer to the research in Alaska.

Ms. PRITZKER. Senator, I am happy to look into the location of our scientists and the work, and whether relocation is feasible or not.

Senator MURKOWSKI. Great. I appreciate that. We have also had an opportunity to talk about the research vessel, Fairweather. It still does not permanently reside in Ketchikan when it is not underway. I know there have been some discussions with the Coast Guard on sharing pier space there in Ketchikan.

I am wondering what the status of bringing the Fairweather permanently to Ketchikan is, if you have any updates on that, or if you can give me some information as you become aware of it.

Ms. PRITZKER. Senator, I will have my staff get with your staff and talk about the situation with the Fairweather, more details.

Senator MURKOWSKI. That would be great. If there is anything that we need to do to make that a reality, you let us know on that.

Ms. PRITZKER. Thank you.

ELECTRONIC MONITORING

Senator MURKOWSKI. Keeping with fish, electronic monitoring. As you know, this is something that we have been pressing. For some time, the goal has been to be able to use the available technology to allow our fishermen to produce a system that gets the data, we want that data, but also reducing the cost, and reducing the physical burden of human observers on vessels.

I have learned of some information recently that I find actually very, very troubling about the observer program. Observer fees cannot be used for electronic monitoring until the regulatory process to integrate the Electronic Monitoring System (EMS) part of the observer program is completed and implemented in 2018.

The National Marine Fisheries Service (NMFS) needs to be directed to adequately fund Alaska's pre-implementation effort to provide for the initial equipment and infrastructures.

I am asking if you can assure you that NMFS will be providing that funding for the installation of currently available electronic monitoring systems on our small boats within Alaska.

Ms. PRITZKER. Senator, you know, first of all, we are committed to trying to improve the electronic monitoring, and we think it is applicable and not in all fisheries but in some. We have released, I think, regional plans last year for incorporating electronic monitoring with the timing. We have actually pilots in five U.S. fisheries. We are adding seven more.

You know, let me look into the specifics of the funding that you are worried about.

Senator MURKOWSKI. Let's talk about that. Again, as I said, Alaska has been very willing and very eager to move forward on this. We just need to know we are going to have some level of support there as well.

PACIFIC SALMON TREATY ACT ADMINISTRATIVE FEES

Very quickly, my final question, I met yesterday with commissioners of the Committee to the Pacific Salmon Commission. The Pacific Salmon Treaty Act is up for reauthorization in just a couple of years here.

I am told there are some real concerns as they are gearing up for these treaty negotiations, that within the funding process, NOAA apparently takes 20 percent of the funds that come to the

Commission, they get \$12 million annually, 20 percent of the funds are siphoned off, some at multiple junctures as administrative fees.

So, I would like to be provided, either myself or the subcommittee, with the specifics on the overview of these fees, why they are charged, some kind of an understanding, because you have a very limited amount of funding that is coming, and they need every dime of it. So, trying to understand where these resources are going would be very helpful for the Commission as they prepare their deliberations and the leg work there.

Ms. PRITZKER. We will make that information available.

[The information follows:]

For the most recently completed fiscal year, fiscal year 2015, the Department of Commerce via the National Marine Fisheries Service (NMFS) spent approximately \$12.0 million to implement the Pacific Salmon Treaty (PST). While the majority of the funds were issued as grants to States, tribes, tribal organizations, and the Pacific Salmon Commission, NMFS directly spent \$2.5 million, or 20.6 percent, of the total fiscal year 2015 Pacific Salmon treaty obligations. NMFS expenditures can be broken into two general categories:

- Management and administrative costs (\$1.8 million or 15 percent)*—agency functions and related services needed to support NOAA mission programs. These costs include functions for acquisitions and grants, budget and finance, executive management, facilities and other administration, human resources, information technology and legal services.
- Program support costs (\$0.7 million, or 6 percent)*—which includes full time permanent staff and contractual obligations that are essential to NMFS' management of its work to support the PST.

With respect to management and administrative costs, unlike many other Federal entities, NOAA does not have dedicated budget lines to fund labor and benefits, and program support costs. Therefore, these costs must be covered within the programmatic budget lines provided in the appropriation. The NOAA Finance Handbook Chapter 12, Administrative Costs (dated 4/19/13) outlines the process for assessing these costs equally across programs in the NOAA budget. This handbook prescribes NOAA's policies and procedures pertaining to the calculation of administrative costs (e.g., management and administrative costs and costs associated with common services). The assessment methodology for this calculation is based on a standard percentage of a program's funding—however, the percentage is not static from year to year and is instead a function of the amount of funds received in the PST program, and total management and administrative cost requirements against the total NMFS budget authority.

Compliance with the policy took effect in fiscal year 2014 for all NMFS line offices. Starting in fiscal year 2014, NMFS West Coast Region and Alaska Region took into account the potential impact to the PST funds in response to this policy and revised their budgets to minimize reductions for PST project work and otherwise restore the difference to the PST program. Specifically, included in the fiscal year 2015 totals, NMFS provided \$482,000 through the Fisheries Research and Management budget line, in addition to the dedicated funding in Salmon Management Activities to offset this impact for Pacific Salmon Treaty activities.

Senator MURKOWSKI. I appreciate that. Thank you, Mr. Chairman. Thank you for the additional time.

Senator SHELBY. Senator Baldwin.

Senator BALDWIN. Thank you, Mr. Chairman. As I am batting cleanup for the subcommittee, Madam Secretary, I am going to drill a little bit deeper on some of the questions you have already been asked.

CHINA'S MARKET ECONOMY STATUS

I wanted to start with Senator Collins asked about China's designation as a non-market economy. I will mention that this is of huge importance to the State of Wisconsin. The designation is cru-

cial for our industries who are often forced to seek trade remedies from unfairly priced Chinese products.

So, I heard you say U.S. law rules on this, but I do want to ask a couple of follow up questions. In particular because we have certainly read accounts that the European Union may be looking at this in a different manner, so I would ask has the Commerce Department begun to undertake any formal review of that designation, and how would the hypothetical action of other countries or the European Union influence your examination of this issue?

Ms. PRITZKER. We have not begun a formal review of this. We are monitoring very carefully and talking with our colleagues around the world about the issues that are absolutely critical to make sure we are all working with the same information.

So, this is something that is let's say a hot topic of conversation, but not something where we are in a formal process as of yet.

Senator BALDWIN. Well, I just want to stress for the record my strong belief that China should not be allowed to receive market economy status based on recent interventions in its currency, in its stock markets.

I think these make clear that the country is pursuing an economic growth strategy that in too many cases comes at the expense of its trading partners, like those industries in Wisconsin.

NNMI HUBS

A second issue that has been raised before, Senator Coons asked a little bit about the process, the solicitation process for the two new open competition NNMI hubs. I would like to hear also more about that process, but one of the things he was asking about is has there been any limitation of possible options or sectors.

I want to perhaps propose widening it in the sense that our Nation has been very much focused on a crisis in Flint, with regard to very serious water infrastructure problems in this Nation, and at the same time, we have companies across this country, and universities and experts who are investigating technological advancements that can help us buying smart solutions to address these critical problems.

The President will be hosting a water summit. I listen to the questions of my fellow panelists on this subcommittee of appropriations, probably well over 50 percent of our discussion was on issues relating to water and our challenges there.

So, I guess my question is have you given the critical water problems facing our country consideration as you look at options for these NNMI hubs?

Ms. PRITZKER. Well, first of all, we are very excited. We have our first Request for Proposal (RFP) out on the street or I guess FFO is the technical term. It is open to all topics. There is no limitation.

The issues around water are as it relates to manufacturing could be profound and significant. We are open to good ideas. So, I encourage folks who want to put together an institute on different ideas, we are open, we are all ears, and we will give everything good due consideration as we think about our first institute and hopefully multiple institutes, because there are so many opportunities out there. We will benefit from good ideas in this area.

TRADE ENFORCEMENT

Senator BALDWIN. Given the time, I am going to submit an additional question for the record.

I just wanted to share a continuing frustration with trade enforcement, particularly in the paper industry in my State. There are new authorities that have been recently established, but we still have a lot of companies that are failing to find recourse in our law and in our processes. I would like to continue to work with you on those issues.

Ms. PRITZKER. Absolutely. We take trade enforcement very seriously, and we have the largest number of antidumping countervailing duty cases in the last 15 years. We appreciate last year the support of this subcommittee in giving us additional resources.

We appreciate also the various laws that have been passed with the Customs bill and other bills that are giving us greater authorities to address a number of issues as it relates to trade enforcement. Thank you for your support, and we are happy to answer whatever questions.

Senator SHELBY. If there are no further questions—Senator Shaheen. I am sorry. I knew you had gone to another hearing. I am sorry.

FISHERIES INDUSTRY ELECTRONIC MONITORING

Senator SHAHEEN. Thank you very much, Mr. Chairman, and Ranking Member Mikulski, and Secretary Pritzker, for being here.

I would certainly echo Senator Mikulski's praise of your efforts at the Commerce Department. I certainly have very much appreciated your responsiveness and your work to improve the economy in this country.

New Hampshire's new unemployment rate is 2.9 percent, so we are very happy about what is happening in the State, but obviously, there is a lot more work to do.

One area that I am concerned about, and I just came, I have been running back and forth to a hearing in the Small Business Committee on what is happening with the fisheries industry in New Hampshire and Northern New England, and I assume you heard that, I know, from Chairman Shelby, at the beginning about the at-sea monitoring program, and I assume you probably heard it from Senator Collins as well.

We have a real challenge in New Hampshire because of what has happened to our fishing fleet, the quota in cod has been decimated in the last several years. They are able to fish just 5 percent of what they were able to fish several years ago.

I appreciate Administrator Sullivan being responsive to the local fishermen when she was in New Hampshire earlier or late last year.

One of the things I have heard everywhere is the impact of the fee for at-sea monitoring that everyone is facing, \$700 a trip, and for small boats, which is what we have in New Hampshire, they have to pay the same amount regardless of the catch, regardless of where they go, as the bigger boats.

I know we have appropriated \$300 million for the electronic monitoring program, but what I am being told by my fishermen is that they have not been approved to officially begin that program.

So, I asked them, what would you like for me to say to Secretary Pritzker who I am going to be able to talk to later this morning, and their comment was tell her time is critical, that the fleet has been in limbo for the last year, and that we do not have much more time left.

So, can you talk about what you envision doing through Commerce and through NOAA to help the fishermen as they are looking just specifically at that monitoring program and how we are going to move to the electronic monitoring program, which hopefully will make it easier for people to afford and will keep people in business?

Ms. PRITZKER. Well, Senator, we have five pilot electronic monitoring programs at this time, and we are proceeding with an additional seven fisheries that will do electronic monitoring. We have put together a regional plan.

What I will do is have my staff work with yours to make you aware of what we are doing specifically in the Northeast, as it relates to electronic monitoring.

The challenge that we are facing on the at-sea monitoring is we lost this court case, which I was just talking about a little bit earlier, but there may be some other alternatives that are being brought to my attention.

The court case, as we understand it, is we have to spend our money on bycatch monitoring first, as opposed to at-sea monitoring, which is causing our inability or lack of flexibility to fund the Northeastern groundfish monitoring. There were some issues that were raised earlier that maybe there is some flexibility there.

COLLABORATIVE RESEARCH

Senator SHAHEEN. They raised two other issues that I would call to your attention because I think they are important as we think about what can be done to support an industry so that we do not lose it entirely.

One is the idea of collaborative research. Under the Magnuson-Stevens Act, there was some support for collaborative research between the agency and the fishermen and some funding to help with that. Their interested in being able not only have some of that research continue, but also allowing the industry to help prioritize what the research would focus on.

I think one of the challenges that I hear from New Hampshire's fishing industry and all of New England really is that they feel like the management decisions have been made very much without taking into consideration the input they have provided, despite the hearings that have been held, despite the various bodies that are supposed to bring back those views, there is still this feeling out on the line where people actually have the fishing boats and are doing the work that they are not being heard.

So, that is one area that I think might not only provide some more helpful information, but might also make people feel like they are being heard.

TRANSPARENCY IN QUOTA LEASING

The other issue is the transparency in the quota leasing. I understand again there are privacy rules, and we need to respect those, but as one person explained it to me, he said it would be like trying to sell your house without knowing what any of the prices are for homes in your neighborhood.

So, whatever we can do to provide more transparency in the quota leasing, I think, would also be helpful as we are looking at trying to save this industry.

I do not know if you want to respond to either of those.

Ms. PRITZKER. Let me just respond briefly, and then we would like to get together with your staff and go in more detail. In terms of collaborative research, you know, I am a fundamental believer research needs to be collaborative and needs to reflect what industry feels is going to be of a high payoff.

We talked earlier about how do we get more lab to market, and it applies to fish as much as it does to manufacturing and other areas.

The second is transparency, I am a believer in transparency, particularly when it comes to being able to offer services, et cetera, in a leasing program, so we should work on that together as well, and we would love the help or insights from your staff as to what we could be doing differently.

Senator SHAHEEN. Thank you very much.

Ms. PRITZKER. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator SHELBY. If there are no further questions, Senators may submit additional questions for the subcommittee's official hearing record. We will request, Madam Secretary, that the Department of Commerce respond within 30 days.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

AMERICAN MANUFACTURING JOBS

Question. In the fiscal year 2017 budget request, NIST funds two programs aimed at making American manufacturing more competitive: the Manufacturing Extension Partnership, which helps small- and medium-sized manufacturers create or retain jobs, and the new National Network for Manufacturing Innovation (NNMI) Institutes, which will identify challenges that could make whole sectors of the economy more competitive.

The President has also requested \$1.9 billion in one-time mandatory funding for NNMI, which would fund 45 institutes government-wide, including at the Department of Defense and the Department of Energy.

How does the Department plan to help create jobs in the long run? What role will the manufacturing institutes play?

Answer. The NNMI Strategic Plan describes in some detail the work force goals, and the first NNMI Annual Report describes how some of institutes are already implementing these goals. These reports were released on February 19, 2016 and state:

Each institute in the NNMI is a public-private partnership of companies, academia, State and local governments, and Federal agencies that co-invest in developing world-leading technologies and capabilities. In order to ensure that U.S. manufacturing will be successful in key advanced technology areas, each institute pro-

notes the creation of a stable and sustainable innovation ecosystem for advanced manufacturing. To accomplish this each institute has two primary purposes:

1. To create effective manufacturing research collaboration spaces for industry and academia to solve industry-relevant problems, thereby nurturing innovation and accelerating commercialization of promising technologies.
2. To build workforce skills at all levels in these advanced technologies, thereby enabling the advanced manufacturing workforce of tomorrow.

Both thrusts are essential to creating new manufacturing jobs in the long run as U.S. manufacturing hubs are strengthened and new hubs are created. The NNMI program is structured around the understanding that America is at its strongest and best able to create good, high-paying jobs when we work together and make full use of our human resources. Connected through each institute and through the larger network of institutes, communities of researchers enable cutting-edge production technologies to be readied for use by industry. These talented, knowledgeable, experienced professionals provide real-world training for the next generation of our industrial workforce—who will then, in turn, gain access to high-paying advanced manufacturing jobs.

To increase the competitiveness of U.S. manufacturing and develop the new technologies that provide high-paying private sector jobs in manufacturing, the NNMI program catalyzes the advances in new enabling technologies, production materials, processes, information, and products. Operating through Federal cooperative agreements for their first 5 to 7 years, the institutes work to move technologies capable of being produced in a laboratory environment to capable of being manufactured in a production representative environment. For decades, many new technologies developed in the United States have been manufactured and commercialized by other countries because of the failure to bridge this important gap, with the resulting benefits of high paying technology-driven jobs that could have been created in the United States instead going to those countries. Recent examples include flat panel displays, memory chips, lithium-ion batteries (with increasing spin-off applications in electric and hybrid cars and electric grid storage), and photovoltaic cells.

The manufacturing capacity in emerging high technology areas requires employees with training in new technologies such as additive manufacturing (3-D printing), flexible hybrid electronics, and integrated photonics. The U.S. currently faces a severe shortage of a workforce with the skills to enter these high paying, quality jobs. Thus, the second primary thrust of the NNMI institutes is to ensure that a workforce is trained in the new technologies developed by the institutes as those new technologies are being developed, ensuring that American workers are available in these fields and are better prepared to work in them than workers anywhere else.

The institutes accomplish this goal in a number of ways, including: (1) nurturing future workers for STEM related work through a range of outreach efforts and by providing internships and apprenticeships; (2) supporting, expanding, and communicating secondary and post-secondary pathways, including credentialing and certifications in relevant advanced manufacturing areas that they are developing; (3) supporting the coordination of State and local education and training curricula with advanced manufacturing skill-set requirements; (4) training advanced-knowledge workers as researchers and engineers; and (5) identifying the competencies needed by the next generation of workers.

Additionally, the MEP program at NIST complements the NNMI workforce efforts in a number of ways. First, the MEP centers will be instrumental in assisting small and mid-sized manufacturers (SMMs) understand the new technology and support adoption of the technology to help grow their companies. This will in turn create opportunities for enhancing the existing workforce and the creation of new jobs. Second, the MEP centers work with both the institutes and local education providers (career and technical education centers, community colleges, and universities) to ensure that the workforce skills needed by SMMs are available for improving the existing workforce and preparing the future workforce. This occurs through both the institutes' workforce development efforts, in which MEP is frequently a direct participant and the embedding of MEP center personnel in the institutes to better understand each institute's technology portfolio and how that can be transferred to small manufacturers.

Question. What steps will NNMI take to bring back manufacturing jobs that have been moved offshore?

Answer. Each institute provides critical workforce training and skills development in its technology area. By bringing to the table the entire supply chain associated with a particular developing technology, an innovation community emerges that will later form the basis of mature larger-scale manufacturing supply chains located within the United States. The combination of workers and technologies, including

newly created processes and tools, creates a competitive advantage for U.S. manufacturers and small businesses as they work together develop domestic supply chains to manufacture new products to meet global demand. This combination can provide American workers with high-quality, well-paying jobs while also increasing demand for jobs throughout the supply chain.

All of the institutes are working diligently with a large number of Original Equipment Manufacturers (OEMs) and universities in many States to anchor the development and the manufacturing of innovative products within the United States.

In addition to NNMI efforts, small manufacturers can also take advantage of NIST MEP's Supply Chain Optimization services to decide where and how to participate in the new and existing supply chains created by the institutes' technologies. MEP's total cost of ownership (TCO) tool helps small manufacturers evaluate the costs and risks associated with their products in any given supply chain and market. This information helps small manufacturers expand their business in the United States and increase their hiring needs by strengthening their relationships with OEMs and higher level suppliers.

MEP was also a key partner, along with the Department of Commerce's Economic Development Administration (EDA) and the Department of Labor's Employment and Training Administration (ETA), in the "Make it in America" (MiiA) Challenge. The overall objective of the MiiA Challenge is to make it more attractive for businesses to re-shore, build, continue, or expand their operations in the United States. Ten MEP centers are participating, providing a wide range of technical and business assistance to encourage and support reshoring, improve supply chains, and develop the manufacturing workforce. Key programs and services offered among these include: supply chain optimization, supplier scouting, technology acceleration—linking SME's to NNMI Institutes and other Federal technology research, and Continuous Improvement. Projects are helping companies find new customers, develop new products, improve their processes and workforce, retain workers, and add jobs.

Already, these efforts are helping businesses in America to create and retain jobs. For example, PowerAmerica, one of the NNMI institutes, has been credited with helping save 400 jobs at a manufacturing facility in Lubbock, TX. The manufacturer developed a plan to reinvent itself by upgrading equipment and by forming new commercial partnerships to manufacture the technology being developed by PowerAmerica. See:

—*In-Depth Look: How Manufacturing Hubs Helped This Business Innovate*,

<https://www.whitehouse.gov/blog/2016/04/04/depth-look-how-manufacturing-hubs-helped-business-innovate>

—*X-FAB: making six inch Silicon Carbide a reality*,

<http://www.powerelectronicsworld.net/article/0/98959-x-fab-making-six-inch-sic-a-reality.html>

—*Monolith Semiconductor Relocates Headquarters to Round Rock*,

<http://roundrockchamber.org/monolith-semiconductor-relocates-headquarters-to-round-rock/>

Question. How do the Department's manufacturing goals tie in with your role of promoting American exports?

Answer. The NNMI program seeks to increase the competitiveness of domestic manufacturing by fostering American leadership in advanced manufacturing research, innovation, and technology development and deployment to increase the production of goods in the United States. Achieving this overarching goal strengthens American manufacturers' ability to sell their goods to global markets.

The NNMI Program works by creating an enduring network of topically focused manufacturing innovation institutes that function as research and development hubs where U.S. industry and academia collaboratively solve complex, government and industry-relevant manufacturing problems. Each institute in the network can include unique shared user facilities otherwise inaccessible to institute members, especially small and mid-sized enterprises. These shared facilities lower the financial and technical risks associated with further developing and maturing promising early stage manufacturing technologies, and encourage productive private-sector domestic manufacturing partnerships.

Strengthening domestic innovation ecosystems is critical to national competitiveness. Each institute creates and supports a regional manufacturing ecosystem. Connecting the institutes into a network amplifies their impact on advanced manufacturing, benefitting the entire Nation and improving the ability of the United States to compete internationally for manufacturing investment. The network facilitates knowledge transfer between institutes that makes each institute operate more efficiently, and increases the impact of the NNMI Program's outreach activities.

A crucial aspect of U.S. competitiveness is the ability of domestic manufacturers to increase their manufacturing capabilities and capacities to respond in a timely manner to global market demand. The NNMI program serves an important role by creating an effective advanced manufacturing research and development infrastructure. The program brings together the private sector, academia, and government at all levels to develop and deploy advanced manufacturing technologies that strengthen the competitiveness of the United States.

NIST MEP is currently fielding the ExporTech program to help small U.S. manufacturers prepare to export their products. The intent of ExporTech is to work with manufacturers to help them prepare an actionable exporting plan and be ready to take advantage of the export resources of ITA and the States. The program consists of 3 sessions over 4 months covering all aspects of understanding and preparing to export. Since 2006, NIST MEP through the MEP System has:

- Conducted 152 ExporTech sessions via MEP Centers
- 31 States have completed an ExporTech program
- 803 clients have completed the program
- 17 ExporTech sessions are scheduled through the end of calendar year 2016.

On average, the companies that have completed the program have achieved the following impacts:

- \$500,000–\$700,000 average sales increase/retention per company
- \$91,000 average cost and investment savings per company
- \$400 million in total program sales (new/retained) to date
- \$12,000 average follow-on sales for centers per client.

The principles and practices of the ExporTech program apply as well to products based on the new technologies being deployed from the Institutes and would be expected to have similar positive export results for those companies.

CYBERSECURITY AND DIGITAL LEADERSHIP

Question. The private sector is facing increased risk from cyber threats, including small- and medium-sized businesses. Every day, cyber-criminals are stealing information and profiting from the American people and American companies that need a civilian cybersecurity agency to help them respond to those threats. Many of the underlying issues do not facially address cybersecurity, but seem more like innovation. Digitizing our world means that we must discuss the safety and security of medical devices, self-driving cars, and the Internet.

What are NIST and the Department of Commerce doing to help U.S. companies defend themselves and their customers against attacks? What role does the National Cybersecurity Center of Excellence (NCCoE) play?

Answer. With programs focused on national priorities including the Smart Grid, electronic health records, forensics, atomic clocks, advanced nanomaterials, computer chips and more, NIST's overall mission is to promote U.S. innovation and industrial competitiveness by advancing measurement science, standards, and technology in ways that enhance economic security and improve our quality of life.

In the area of cybersecurity, NIST has worked with Federal agencies, industry, and academia since 1972, starting with the development of the Data Encryption Standard, when the potential commercial benefit of this technology became clear. NIST's role to research, develop, and deploy information security standards and technology needed to protect information systems against threats to the confidentiality, integrity and availability of information and services, was strengthened by the Computer Security Act of 1987, broadened by the Federal Information Security Management Act of 2002 (FISMA), and reaffirmed in the Federal Information Security Modernization Act of 2014.

In support of NIST's overall cybersecurity program, the National Cybersecurity Center of Excellence (NCCoE) turns cybersecurity standards and best practices into practical solutions to solve problems faced by companies across many sectors. The Center currently has 24 core partners, from Fortune 50 market leaders to smaller companies specializing in IT security and a support center with hardware, software and expertise.

The NCCoE collaborates with experts from industry, academia, and government to identify specific technical cybersecurity problems that affect entire industry sectors or reach across sectors. The NCCoE then identifies applicable standards and best practices and collaborates with the creators of commercial off the shelf products and services to use in developing example solutions. The example solutions are documented in NIST Cybersecurity Practice Guides that show businesses how to put these example solutions into practice for themselves in ways that align with relevant standards and best practices.

Today, the NCCoE is working with key business sectors, including financial services, energy, healthcare, transportation and consumer/retail. Examples of projects include Security for Wireless Infusion Pumps, Mobile Device Security, Situational Awareness for the Energy Sector and Derived Credentials. These projects will result in demonstrations and practice guides that explain to companies how to implement the demonstrated security platforms in a manner that solves business problems and otherwise improves companies' defenses against cyber-attacks consistent with NIST's cybersecurity standards and guidelines.

Question. Commerce has also requested \$6.4 million for a Digital Services leadership team that reports directly to you on overarching Internet and technology challenges faced department-wide. Access to the digital world is revolutionizing business; the Internet is the library and meeting ground of today and of the future. That means the Department of Commerce also needs to change the way it does business.

How will this digital leadership team bring the lessons and methodology of the NCCoE to the Department?

Answer. The Department of Commerce's digital leadership team and NIST's NCCoE are coordinating on activities to see where there are opportunities for collaboration or for the leadership team to build on NCCoE outputs. The Department will encourage the organic implementation of developed technologies and provide feedback and lessons learned.

SHARED SERVICES

Question. The Department of Commerce is proposing to revamp its Department-level support services, including HR, IT, Finance and Accounting Systems, and Acquisitions and Grants Management functions, under a new initiative called, "Shared Services."

The Department claims that the Shared Services initiative will save money and improve service in the long term, but will not cost Department employees their jobs.

Can you explain the math on this assertion?

Answer. The "Shared Services" initiative is being launched to drive performance improvement and customer service across the four functional areas—HR, ACQ, IT and FM in order to allow a stronger focus on mission. Across the four functional areas an extensive assessment of each process highlighted that current service delivery in these functional areas is sub-standard at best and, in some cases, places the achievement of mission priorities at risk due to the amount of time spent on routine, transactional tasks.

As far as cost savings, through business process re-engineering, economies of scale and place, and strategic sourcing (also known as "category management") of commodity goods, organizations that employ the shared services model can mitigate rising variable costs. This will be accomplished after several years of grouping the purchase of transactional goods across the entire organization and working to streamline processes. This cost avoidance can yield higher volumes and improved service delivery. For example, the overall operating costs of the service delivery are projected to be significantly lower than the current state.

There will be no job losses for several reasons: (1) the Secretary has committed that there will be no reductions in force, (2) there are numerous vacancies within the in-scope functional areas (e.g. 120 vacancies in human resources alone, which is 20 percent of the total human resources professionals workforce), and (3) the assessments made clear that much of the high-value strategic work of the mission-enabling functions (e.g. strategic workforce planning) is not currently being performed since professionals are spending so much of their time processing routine transactions. As a result, there will be ample opportunities for anyone to be trained for, and step into, those higher value positions within the organization.

Question. Should we be focusing on supporting our own workforce, rather than hiring contractors to cut costs?

Answer. By supplementing our workforce with contractors, we are, in fact, providing tremendous support to our own workforce. Much of our professionals' time (estimated in the assessments to be about 65 percent of their time) is spent answering questions about status of actions, handling paperwork, and conducting routine transactional work. This is done at the expense of the higher-value strategic work that they have been educated and trained to do. As a result, the higher-value work we need them to do is seldom performed. Even on the transactional side, our workforce is not able to keep up, because they struggle to fill vacancies of their own. That's why we have a backlog of more than 3,000 funded position vacancies across Commerce, antiquated information technology services, and acquisitions that fail to meet program requirements.

In recognition of this, Commerce made the decision to contract with a commercial firm for support services (see background immediately below), realizing that it is a temporary fix to a systemic problem. One outcome that we are all passionate about is building a better pipeline to address the shortfall in HR professionals. As we free up our more senior staff, who have been conducting lower-level transactional work for years, it is our hope that those more strategic, mission-connected jobs become more and more attractive and establish a clear career path for employees. As the outside vendor is able to bring talented transactional staff, it can potentially create a pool of employees who become familiar with the mission of Federal agencies and can look to strategic positions within the Federal Government as growth opportunities to strive for.

Additional Background for this Response: Of the more than 3,000 funded vacancies mentioned above, 120 are in the human resources (HR) area. Akin to all Federal Government agencies, Commerce has had a difficult time finding qualified people to fill these HR positions because there simply isn't a sufficient supply of talent in the immediate Washington area. As a result, our small population of HR professionals (only 550 across Commerce) has too much on its plate. The Office of Personnel Management (OPM) recommends a ratio of 1 HR professional to 60 employees; Commerce's effective ratio is 1 to 85.

As part of the shared services effort to improve customer satisfaction and service delivery of HR and other services, we analyzed all of our services process by process to determine how best to deliver them. Other than payroll and systems support, there is either insufficient capacity or a lack of capability among the Federal providers to support some of our most urgent HR transaction needs. For instance, when it comes to recruiting and hiring, we have turned to OPM for support in the past, but they, themselves, admit they don't have the capacity to support the volume of work we require. When we turned to Treasury and Agriculture for support with processing personnel action requests and recruitment and hiring activities, we were informed that they could provide the software but not the people to assist with the transactions.

Therefore, we thought our operations would be best served if we turned to the private sector to supplement our resources. Again, there will be no Reductions in Force. We are planning to leverage the capabilities of a commercial firm to fill a gap in skills and capacity. The vendor will afford us the flexibility to surge in capacity when needed to address backlog, but then scale back as necessary without any adverse implications. Their first priority is to help us recruit qualified professionals to help us deliver our mission. We'll also be asking them to perform other transactional-type work, such as personnel action request processing, job classification, and benefits administration. In so doing, our people will be free to perform the higher-value work, such as hiring and onboarding, workforce planning and training that has been lacking when the urgent takes over the strategic.

Question. The development of the Shared Services initiative has been in progress for some time, but the Department proposes to implement the initiative through a reprogramming request, rather than asking for it under the regular appropriations process.

If this initiative is so urgent, why was it not included in the fiscal year 2016 budget request?

Answer. This is an urgent initiative and that is why we are requesting to fund it outside of the timing of the annual budget cycle. We faced the dilemma of having enough information developed to support the request versus waiting until another budget year to submit the request. The underlying problems associated with these functional areas have existed for years. However, they have only become acute—truly adversely affecting the achievement of mission objectives—in recent years, which is why we wrestled with the dilemma of balancing the acute need with the timing of budget submissions.

With the establishment of "Operational Excellence" as a strong tenet of the Commerce Strategic Plan in 2014, Departmental leadership considered multiple means for fixing the problems. However, it was not until July 2015 that the shared services assessment (Phase I of the project) was fully completed. Without that comprehensive assessment of the performance across all four functional areas—including a detailed look at each individual process within those functions to inform which sets of services should be delivered in a shared way and which should remain in each Bureau—a Budget initiative could not be prepared. By that time, the Department's fiscal year 2016 budget had already been submitted.

Question. If it is not urgent, why can't the initiative be considered by the full Congress as a proposal for fiscal year 2017?

Answer. As noted earlier, this is an urgent initiative. The sub-standard performance of our support functions is adversely affecting the bureaus' achievement of

their missions. Unless we fix these urgent performance problems now—and we believe shared services is the answer—we will have mission-related failures that will be more difficult to explain. Through the shared service initiative which covers human resources (HR) acquisitions (ACQ) information technology (IT) and financial management (FM), the Department will be able to make sure each of its bureaus is able to more effectively meet its mission obligation to the American people.

When we met with your staff in the fall of 2015 we expressed intent to issue an RFP for HR services as part of the GSA schedule. Commerce has now concluded that competitive process and is poised to award that HR services contract.

QUESTIONS SUBMITTED BY SENATOR SUSAN M. COLLINS

Question. The 2006 Softwood Lumber Agreement, which established export charges and quota limitations on Canadian softwood lumber imports into the United States, expired in October of last year. This was a highly complex agreement that dealt with differing patterns of land ownership and stumpage fees in Canada. The agreement also included exemptions for mills in the Atlantic Provinces and along Maine's western border that did not benefit from the crown lands.

I understand that the Office of the U.S. Trade Representative has had preliminary discussions with their Canadian counterparts on the parameters for negotiating a new agreement. While USTR is the lead on this issue, the Department of Commerce will play an important consultative role when talks between the two countries are formally underway. It is extremely important that we secure an enforceable agreement that addresses Canadians subsidies, where they occur, that detrimentally affect U.S. markets. The relationship between the U.S. and Canadian forest industries is complex and often symbiotic. Getting a Softwood Lumber Agreement that acknowledges these realities and includes a strong enforcement mechanism is essential.

Will you commit to making this a priority this year?

Answer. Yes, working toward a Softwood Lumber Agreement (SLA) is a priority of the Obama administration and the U.S. Department of Commerce. Although USTR has the primary responsibility for administering the agreement that expired and negotiating a possible new agreement, we have played an active role in the interagency process of monitoring the agreement, and providing input for negotiating the new agreement. In addition, for more than a year before the expiration of the SLA, the United States consulted intensively with a range of domestic stakeholders and we understand the importance of this program to Maine businesses. The United States continues to consult closely with domestic stakeholders as needed and stands ready to engage with Canada to ensure fair and stable conditions for trade in softwood lumber that reflect current market realities. Finally, we have participated in interagency communications with the Government of Canada regarding the operation of the agreement. In that regard, the Department has a range of expertise that is useful in terms of monitoring existing agreements and negotiating a possible new agreement.

Question. I recognize that NOAA Fisheries has a court-ordered responsibility to satisfy the observer coverage standard of the Standardized Bycatch Reporting Methodology (SBRM), but I remain concerned about the decision to fund such activities by decreasing funding for at-sea monitoring. My colleague Senator Ayotte recently questioned Deputy Assistant Administrator Sam Rauch about NOAA Fisheries' ability to identify alternative funds within NOAA that could be used to satisfy at-sea monitoring costs.

Mr. Rauch responded saying "the court found that [NOAA Fisheries has] to spend the money on other priorities before [they] spend it on at-sea monitoring," and they are "not allowed" to fund ASM from other departmental sources. The language of the SBRM Omnibus Amendment, however, seems to give NOAA Fisheries the authority to do just that. The amendment reads: "If additional funds for observer sea days were available from another funding source . . . those observer days could be allocated according to other priorities and would not necessarily be allocated according to the SBRM process. Such other funding sources could include funding for observers dedicated to monitoring at-sea interactions under the Marine Mammal Protection Act or the Endangered Species Act, or funding dedicated for management purposes, such as monitoring catch share programs." Mr. Rauch's position that NOAA Fisheries' hands are essentially tied appears to directly conflict with the language of the amendment.

Do you agree with Mr. Rauch's assessment? Moreover, what efforts has NOAA Fisheries made to identify possible alternative funding sources to pay for at-sea monitoring?

Answer. NMFS has considered and will continue to consider alternative funding sources to pay for or provide additional at-sea monitoring. However, alternatives identified to date would result in a loss of funding to critical NMFS requirements in other parts of the country, such as for the more than 30 observed fisheries around the Nation. In addition, funds provided by Congress for activities under the Endangered Species Act or the Marine Mammal Protection Act must be used to support implementation of those statutory requirements.

While we recognize the economic challenges presented by the transition to industry paying for at-sea monitoring costs, based on industry's approach to sharing costs, we understand their costs per sea day are substantially less than what NMFS paid. NMFS will continue to work with the New England Fishery Management Council and groundfish sectors to evaluate and improve the monitoring and accountability system within the New England groundfish fishery.

Question. I have heard from constituents in Maine who are very concerned that funding appropriated for fishery management activities under the Atlantic Coast Act is not reaching the 15 Atlantic States. The Atlantic states are primary management partners of NOAA Fisheries and co-manage eight fisheries with the agency. This Committee has been increasing the "Regional Councils and Fishery Commissions" budget line. These increases, however, have been allocated solely to the Federal fishery management councils, with no additional funds supporting the Atlantic Coastal Act. While the regional councils certainly perform critical work, your partner State fishery management agencies along the Atlantic Coast are being forced to reduce their data collection efforts, staffing levels, and law enforcement resources. This adversely affects a number of important commercial fisheries, like the lobster fishery in Maine.

Can you explain why the funding increases that this Committee has provided for the Councils and Commissions line have not reached the Atlantic States? Furthermore, what actions will NOAA Fisheries take to ensure that its partner fishery management agencies along the Atlantic Coast have the capacity to carry out their critical work?

Answer. The majority of the funding increases since fiscal year 2008 to the Regional Councils and Fisheries Commissions budget line were in response to specific requests such as supporting the Regional Fishery Management Councils in implementing changes in our approach to fishery management after the Magnuson-Stevens Act was reauthorized in 2007 and implementing annual catch limits. Since 2014, increases for the Councils and Commissions have only covered inflationary costs.

NOAA recognizes the important role the States play as partners in sustainably managing our Nation's fisheries. The State's work includes data collection and analysis that supports fish stock assessment models, enforcing fishery regulations, and the co-management of eight different fisheries. NOAA is working with the State fishery commissions and the State directors to find ways to provide additional support for the States within the fiscal year 2017 budget to ensure that our partnerships can continue to promote economically and ecologically sustainable fisheries.

QUESTIONS SUBMITTED BY SENATOR SHELLEY MOORE CAPITO

Question. After millions of dollars have been invested in the area of broadband deployment, we are still not where we need to be, especially in West Virginia—the most recent report having us third worst in the country. Are you satisfied with the standards of measurement? For example, the FCC definition of standard broadband is 25 Mbps while the Connect America Fund requires to build to a minimum of 10 Mbps. In States like mine, I worry this is setting us up for failure, discouraging carriers to build beyond 10 Mbps. What is your goal for States like West Virginia? What actions are you taking, and that we can support you in, toward expanding access, measuring connectivity, and developing technology, particularly in rural areas?

Answer. While much progress has been made in bringing broadband to unserved and underserved areas of the country, there remain significant challenges to delivering Internet access to many of the most rural and difficult to connect areas of the country. In such areas, the cost of deploying ubiquitous high-capacity fiber facilities can make providing service prohibitively expensive. This certainly includes parts of West Virginia and similar rural areas across the country.

Responding to the demand for broadband in underserved areas requires creative and flexible approaches. For example, in very high cost areas, wireless and satellite broadband will certainly be part of the answer. The Federal Communications Commission (FCC) recognized this need for flexibility in its recent order establishing new rules to allocate \$2 billion over the next 10 years in Connect America Fund

(CAF) support to expand broadband deployment in targeted rural areas through competitive bidding. To encourage a wide range of bidders and ensure a more competitive auction, the FCC set technology-neutral performance tiers with varying levels of speed, usage allowances, and latency requirements. While the FCC allows for broadband services as low as 10 Mbps downstream and 1 Mbps upstream (10/1 Mbps) to qualify for universal service support as the minimum performance tier, the FCC will give more weight to bids that offer better performance in rural areas. The FCC also made clear that 10/1 Mbps is not its end goal and it expects recipients of CAF support to innovate and provide better service over the 10-year term.

The Department of Commerce, principally through NTIA, is committed to tackling the hard work needed to reach those communities where geography and economics render broadband deployment, competition, and adoption difficult to fully realize. NTIA continues to take action through its BroadbandUSA initiative to offer communities the technical assistance and support they need to overcome their unique challenges hindering investment in broadband infrastructure and adoption. NTIA is also assisting local communities to attract broadband deployment through both Federal assistance and private investment. Our goal for States such as West Virginia is to have continued funding to ensure that we can help their communities be digitally inclusive and have the broadband capacity necessary to participate fully in the digital economy.

Moreover, the Department has demonstrated a longstanding commitment to promoting broadband deployment and adoption in unserved and underserved areas of the country, including West Virginia. Under the Broadband Technology Opportunities Program (BTOP), for example, NTIA awarded a \$126.3 million grant in 2010 to the Executive Office of the State of West Virginia (West Virginia) to bring high-speed broadband to this underserved region by expanding and improving the State's microwave public safety network. Through this grant, West Virginia was able to deploy 675 new network miles, established 554 new wireless links, established 623 new or upgraded interconnection points, and connected 1,127 community anchor institutions to new or improved broadband service at speed tiers ranging from 100 Mbps to 1 Gbps. The project connected all public K-12 schools and libraries throughout the State to the high-speed network to enhance both classroom and distance learning opportunities. As a result of the BTOP project, all schools in West Virginia had access to broadband of at least 100 Mbps, if they wanted it. The BTOP grant also allowed West Virginia to upgrade Internet access and capacity at critical public safety communications sites, including healthcare facilities, State and local law enforcement agencies, fire departments, and county courthouses.

Additionally, NTIA awarded a \$3.2 million grant in 2010 to Hardy Telecommunications to build the Hardy AnchorRing, a middle-mile fiber optic network traversing Hardy County, West Virginia. By project completion in December 2012, Hardy deployed 123 miles of fiber that brought network reliability and high capacity bandwidth to this rural area for the first time. More than 63 community anchor institutions received new or improved broadband connections at speeds up to 1 Gbps through direct connection to the Hardy network, including 11 medical/healthcare providers, seven K-12 schools, nine public safety agencies, and 28 other government offices.

In 2009, NTIA awarded \$1.4 million to the West Virginia Department of Commerce, Geological and Economic Survey (WVGES) to manage the State Broadband Initiative grant for the State and later amended the project to continue broadband data collection and supplemental activities for an additional 3 years, increasing the total Federal funding to \$4.74 million. In addition to compiling broadband mapping data from 23 total providers, the team awarded nearly \$1.5 million in mini-grants to 70 recipients using broadband technology to address various community needs. There were a number of awards for county governments to improve citizen services, and other uses of the funding went to public safety and emergency services, energy and the environment, economic development in rural regions, education and remote delivery, telemedicine, library services and agriculture entities. One particularly successful grant was the creation of ManufacturersMatch.com, a resource allowing manufacturers to contact each other and for staff at research institutes to collect and share information. The team also developed 11 regional plans, which defined areas most in need of guidance on deploying resources for broadband expansion, and launched a wireless hotspot application. The project resulted in closer relationships between and among State and Federal agencies. It also enhanced university partnerships for workforce development, most notably the partnerships emerging from the mini-grant program that involved creating a virtual teaching center for culinary arts students.

With the near completion of the BTOP grant program, NTIA is transitioning efforts to its BroadbandUSA program, which applies learnings and expertise devel-

oped from BTOP to help communities and tribes expand their broadband access and adoption. BroadbandUSA is providing expert, impartial advice and field-proven tools for assessing broadband adoption, planning new infrastructure, and engaging a wide range of partners in broadband projects. Our technical assistance ranges from workshops and webinars to more personalized one-on-one community assistance. In rural areas, technical assistance focuses on how communities and tribes can address the need for broadband infrastructure and adoption through planning, partnerships, and technology choices.

Through BroadbandUSA, NTIA can help communities navigate complex government rules and grant programs; find the best way to design and deliver a broadband adoption program; and attract broadband investment. For example, one municipality has requested guidance from BroadbandUSA on how the city should invest funds to support projects that would increase local broadband infrastructure and access to technology, including adding fiber in manufacturing districts and additional hotspots. BroadbandUSA helped local officials develop a strategic broadband plan for a small, rural Western city. And, BroadbandUSA has helped local officials develop and deploy a broadband adoption program to help residents of a public housing community build digital literacy skills. To date, NTIA has provided technical assistance to rural, tribal and urban communities in 30 States and has held six regional workshops to bring community and industry stakeholders together to discuss how best to support their broadband needs. NTIA has also released field-tested guides such as our Broadband Adoption Toolkit, Public-Private Partnership Guide, Guide to Federal Funding of Broadband Projects and Planning a Community Broadband Roadmap to assist and inform local community broadband efforts.

Additionally, in March 2015, President Obama created the Broadband Opportunity Council, composed of 25 Federal departments and agencies, to determine what actions the Federal Government could take to eliminate regulatory barriers to broadband deployment and to encourage investment in broadband networks and services. The Departments of Commerce and Agriculture co-chair the Council. In September 2015, the White House released the Council's report, which describes 36 concrete steps the member agencies will take to reduce barriers and promote broadband investment and adoption. Once implemented, these agency commitments will make a meaningful difference to communities seeking to expand and enhance their broadband capacity.

As one of NTIA's commitments outlined in the Council's report, the Community Connectivity Initiative will support communities across the country with tools to help accelerate local broadband planning and deployment efforts. NTIA, in close collaboration with its partners, will create a comprehensive online assessment tool to help community leaders identify critical broadband needs and connect them with expertise and resources. The online tool will provide a framework of benchmarks and indicators on access, adoption, policy, and use for communities. NTIA is partnering with several communities and organizations to help develop the measurements for the tool and make it useful for communities. NTIA expects to launch the tool later this year.

NTIA, in collaboration with the Federal Communications Commission, is well on its way to meeting the President's direction to make an additional 500 megahertz of spectrum available for wireless broadband by 2020. NTIA's Office of Spectrum Management and its Institute for Telecommunication Science continue to study, develop and test tools and methodologies for the expansion of spectrum sharing to help meet escalating demand for access to this critical resource.

NTIA has regularly sponsored comprehensive national surveys of computer and Internet use through the Census Bureau's Current Population Survey. Through these surveys, the most recent of which was conducted in July 2015, NTIA collects data on the devices Americans use, locations of Internet use, online activities, and challenges that inhibit some Americans from taking full advantage of these technologies. NTIA's Digital Nation reports draw on the collected data and enable policymakers to craft programs that better serve Americans who find themselves on the wrong side of the digital divide, while also shedding light on current challenges in related policy areas like online privacy.

NTIA's sister bureau, the Economic Development Administration (EDA), has had tremendous success in establishing vital links between distressed and high-tech communities by funding telecommunications infrastructure as a fundamental component to bridging the technology gap. Targeting "last mile" solutions that build upon the administration's Broadband Technology Opportunities Program, EDA can provide both planning and implementation support for broadband to help communities and regions build the capacity to support their economic development efforts. Possible technological infrastructure investments may include: broadband deployment, infrastructure for distance learning networks, smart-rooms, technologically

advanced research and manufacturing facilities, and business and industrial parks pre-wired with fiber optic cable, as well as other types of telecommunications infrastructure and development facilities needed to create economic opportunity. In the last 5 years, EDA provided approximately \$12 million in 19 grants to support broadband development and deployment in communities and regions across the country. EDA also continues to encourage communities and regions to think about and include broadband assets and needs when undertaking regional economic development planning.

You also asked how you could help us. One of the most important ways you can help us is by letting your constituents know that we can help them. We are happy to take referrals directly from your office or from those of your peers. If you are hearing that a community is interested in expanding its access to broadband infrastructure or improving its digital inclusion (e.g., workforce development), please put them in touch with us at broadbandusa@ntia.doc.gov or you can always contact us through our legislative affairs office. We look forward to talking to communities throughout West Virginia to see how we can work to help them. As we noted above, our goal for States such as West Virginia is to have continued funding to ensure that we can help their communities be digitally inclusive and have the broadband capacity necessary to participate fully in the digital economy.

Question. Thank you for hiring a Regional Representative at the EDA in West Virginia. I am committed to working with them to emphasize the need for increased investment in our State, not by holding conferences and meetings, but by investing in facilities and operations that can stem innovation and job creation. This Committee provided a \$15 million investment to assist coal communities. I know that numerous entities in the State are currently working on good projects that will improve our infrastructure, create jobs, and help our economy diversify. I strongly encourage you to fund as many of this projects as possible. Will you please work with me to ensure this funding is used for the specific intended purposes?

Answer. EDA is more than happy to keep Senator Capito informed as it makes grant awards in this program. EDA is committed to following appropriation report language to ensure that grants made under this program benefit communities impacted by changes in the power sector and coal industry, and their manufacturing or transportation/logistics supply chains (the “coal economy”). This includes both coal mining communities and communities using coal power plants.

Question. Could you provide me a status update on the collaboration between NOAA and the FBI regarding the FBI’s use of NOAA’s Environmental Security Computing Center (ESCC) or NOAA’s “supercomputing center?” The NOAA supercomputing center could be an important resource for the FBI in its efforts to address encryption breaking needs as expressed by the Attorney General to this very committee.

Answer. NOAA is currently working with the FBI on an interagency agreement allowing the FBI to take ownership of and use NOAA’s decommissioned supercomputer located at the NESCC in Fairmont, West Virginia. NOAA is currently reviewing the interagency agreement and hopes to be in a position to have it signed in the late August/early September timeframe.

QUESTIONS SUBMITTED BY SENATOR JAMES LANKFORD

Question. The fiscal year 2017 budget requests \$1.37 billion in grant funding. In February of this year, you announced 25 awardees that will receive \$10 million under the Economic Development Administration’s 2015 Regional Innovation Strategies program. How is the Regional Innovation Strategies program evaluated for effectiveness?

Answer. Starting with the fiscal year 2014 funding (awarded in fiscal year 2015), Regional Innovation Strategies (RIS) program grantees have been required to report on a standardized set of metrics. In prior years, each grantee determined which metrics they would capture and report, making it challenging to evaluate results and program effectiveness. The new standardized metrics, which include both outputs and outcomes, and which are specific to each competition under the RIS program, are collected and aggregated by EDA’s Office of Innovation and Entrepreneurship (OIE), which manages the RIS program. Additionally, this data will be used to inform a third-party evaluation of the RIS program, which is scheduled to begin on or before December 15, 2017, pursuant to the RIS program’s authorizing language. See 15 U.S.C. § 3722(e).

Question. Are there other Federal departments and agencies that provide grant funding to accelerate innovation and entrepreneurship in this country?

Answer. Yes. For example, the Small Business Administration (SBA) provides competitive grants of \$50,000 each to accelerators across the country through its Growth Accelerator Fund Competition. The RIS program funding addresses a broader set of tools than the Growth Accelerator Fund Competition, including proof-of-concept and commercialization programs, which follow a variety of industry- and region-specific models that may—but do not necessarily—include an accelerator. In addition, RIS has greater flexibility to address the array of gaps specific to regional innovation and entrepreneurship ecosystems. For example, the Seed Fund Support Grant competition, part of the RIS program, is the only Federal program that funds operational costs for the creation or expansion of cluster-focused, early-stage seed capital funds—a gap in many nascent and growing ecosystems.

SBA's Cluster Initiative also provides funding to communities to help accelerate innovation and entrepreneurship. Under the RIS program and the Cluster Initiative, the latter provides funding for mentoring and counseling services, mentor-protégé and teaming programming, and showcase and pitch events aimed at prospective investors and public-private sector adopters of new technology. RIS program funding focuses squarely on technology commercialization, which may include a small subset of these activities but encompasses broader business and technical assistance that enables early-stage companies to bring products and services to market and ultimately to create jobs and grow the economy. The RIS and SBA programs are complimentary, and the OIE team works closely with the SBA Clusters team to identify synergistic opportunities.

Question. How do you coordinate with other agencies to prevent duplication or overlap?

Answer. The Office of Innovation and Entrepreneurship (OIE) coordinates with other agencies in a number of ways. First, merit reviewers from across the Federal Government review RIS program grant applications. In 2015, 11 agencies were represented within the pool of over 70 merit reviewers including the Department of State, the Small Business Administration (SBA), United States Agency on International Development, the National Aeronautics and Space Administration, the United States Department of Agriculture, and the National Science Foundation. Second, OIE staff volunteer as reviewers for other agency competitions such as SBA's Growth Accelerator Fund Competition and speak frequently at various events in collaboration with other agencies, such as at Treasury's State Small Business Credit Initiative conference. Thanks to this two-way exchange, OIE has adopted best practices from other programs and is making better-informed investments that are complimentary to other agency's grants where appropriate. Finally, OIE engages multiple agencies such as SBA, Treasury, and National Institutes of Health through the National Advisory Council for Innovation and Entrepreneurship as a way to provide intergovernmental awareness of programs and initiatives and to collaborate and coordinate regarding intergovernmental policies.

Question. In early February, Göran Marby, was named the next President and CEO of ICANN. Mr. Marby will succeed current President and CEO Fadi Chehadé whose term finishes on March 15, 2016, and will join ICANN in May 2016. During this time, Akram Atallah, President of ICANN's Global Domains Division will serve as acting CEO. Last year, you testified before this subcommittee that the Department deals "directly with ICANN and the leadership of ICANN." Are you still meeting with Mr. Chehadé and what interaction have you had with Mr. Atallah and Mr. Marby?

Answer. The Department has not had any official meeting with Mr. Chehadé since his departure from ICANN. However, Assistant Secretary Strickling did meet Mr. Chehadé socially on one occasion in May 2016. As part of routine interactions with ICANN, NTIA staff does meet or talk with Mr. Atallah. NTIA staff first met Mr. Marby at the ICANN meeting in Marrakech this past March and will have regular interactions with him now that he has taken the reins as ICANN's CEO.

Question. The budget request notes that in fiscal year 2017, NTIA will continue representing the United States in ICANN's Government Advisory Committee and coordinating U.S. Government policy positions. Can you explain in more detail what role NTIA will play with ICANN, as well as in developing our Nation's policy positions regarding the Internet?

Answer. NTIA has represented the United States Government in ICANN's Governmental Advisory Committee (GAC) since ICANN's first public meeting in 1999. The GAC role is to provide advice to the ICANN Board on issues of public policy, especially where there may be an interaction between ICANN activities or policies and national laws or international agreements. There are currently 162 GAC members and 35 observers, who work on the basis of consensus when developing advice for the Board.

NTIA runs an interagency coordination process with other U.S. Government agencies to develop U.S. policy positions on upcoming items scheduled for discussion and decision in the GAC. The interagency working group meets at least once monthly and includes the participation of more than 10 agencies and offices. NTIA also coordinates with its international allies to achieve U.S. policy goals.

In addition, NTIA will continue to participate in the Root Server System Advisory Committee (RSSAC) Caucus, which is a group of DNS and root server system experts responsible for the essential work of the RSSAC.

Beyond ICANN, NTIA will continue to play an influential role in developing U.S. policy positions regarding the Internet. NTIA is an active and expert participant in U.S. delegations to multilateral organizations, including the International Telecommunication Union (ITU), the Asia Pacific Economic Cooperation (APEC), and the Organization for Economic Cooperation and Development (OECD), among others, and in bilateral exchanges with key countries from across the globe. On the domestic front, NTIA develops policies and programs that ensure that all Americans have access to broadband services, protect online privacy, keep children safe on the Internet, and facilitate competition in the telecommunications and information industries.

Question. The budget notes that the U.S. will participate in international training (including funding seminars and webinars) to “educate government officials in developing countries about the benefits of an open and unfettered Internet.” Which countries does this entail and how much will be spent on training?

Answer. NTIA participates in annual international training in partnership with the United States Telecommunications Training Institute (USTTI) in Washington, DC. Later this year, NTIA will conduct a week-long training seminar entitled “International Policymaking in a Multistakeholder Environment” for about two dozen government officials from developing countries. The goal of the seminar is to provide a hands-on training experience to enable government officials in developing countries to implement and practice multi-stakeholder governance. NTIA is providing a grant of \$135,000 to USTTI to conduct the 2016 program. Funds will be used to cover the travel and subsistence costs for developing country officials to travel to Washington for this week-long seminar.

NTIA is still in the process of finalizing the list of invitee countries for the 2016 program; however, NTIA is focused primarily on developing countries as defined by the United Nations Development Programme (UNDP). The list of potential invitees for NTIA’s training includes officials from the following developing countries: Argentina, Armenia, Bahrain, Belarus, Botswana, Costa Rica, Cuba, Egypt, Ghana, Guyana, India, Jamaica, Kenya, Macedonia, Malawi, Malaysia, Mexico, Morocco, Pakistan, Paraguay, Rwanda, Saudi Arabia, Senegal, Serbia, Trinidad & Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, Uruguay, Vietnam, and Zambia. In developing the invitee list, NTIA is also focusing on key developed countries in Europe that remain undecided about the merits of multi-stakeholder Internet policymaking. These countries include: the Czech Republic, Estonia, Hungary, Poland and the Slovak Republic.

Question. The budget request specifically says “developing countries,” but what about countries like Russia and China? They are not developing countries, but clearly don’t believe in an open Internet.

Answer. Please see the answer to the next question.

Question. What is the policy of the United States on Internet engagement with Russia and China?

Answer. The U.S. Government seeks to constructively engage with Russia and China on Internet policy issues with the goal of preserving and strengthening the openness, interoperability, reliability, and security of the Internet. At the same time, the administration is fully aware of potential challenges such engagement can present and is vigilant against compromising our principles or responsibilities for the sake of such engagement.

With China in particular, there is great interest within the Department and among stakeholders for meaningful engagement on Internet issues. This is due in large part to the size of the Chinese market and its desirability as an investment target for U.S. firms. Accordingly, the Department participates in a number of bilateral exchanges with China on Internet policy issues. These include dialogues organized by the Department itself and others organized by the U.S. Government departments and agencies. Broadly speaking, the bilateral exchanges are intended to encourage Internet openness and cross-border data flows, strengthen the multi-stakeholder approach to Internet governance, share best policy practices, promote trade and reduce market barriers, to identify areas of international shared concern. The Department also uses these opportunities, as appropriate, to candidly address

Chinese policies and practices that discriminate against American businesses or run counter to the United States' international commitments.

China and the United States also participate alongside each other in the Internet Corporation for Assigned Names and Numbers (ICANN) and multilateral organizations that develop or consider Internet policy issues, including the International Telecommunication Union (ITU), and the Asia Pacific Economic Cooperation (APEC). China wants to be viewed as a leader on these issues as evidenced by their pursuit of positions in many organizations. While the United States seeks good working relationships with China in these bodies, we are often on different sides of debates, particularly on the question of the proper role of governments in shaping Internet policy in relation with other interested stakeholders.

The Department has curtailed its bilateral interactions with the Russian Government as a result of its ongoing violation of Ukraine's sovereignty and territorial integrity. The Department does still interact with Russia in multilateral settings. Russia is a full member of the ITU, the APEC, and ICANN, where they often take similar positions to those of China. In addition, Russia can participate in the Internet Governance Forum and actively engages in activities on cyberspace and Internet matters under U.N. General Assembly bodies (CSTD). Historically, we interacted with Russia under the G8 format. The G7 meets now in its stead with only the U.K., the United States, Canada, Japan, Italy, Germany, and France plus the European Union.

China is acting as host of the Group of 20 (G20) nations, with a variety of meetings throughout 2016, and has sought to prioritize digital economy cooperation. Russia is a member. The Department is working closely with the National Security Council, the National Economic Council, and relevant departments and agencies to ensure our engagement with all G20 members is productive and protects and preserves Internet freedoms and an open, interoperable, reliable, and secure Internet.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. As a growing number of nuclear power reactors reach the end of their operating licenses or chose to close due to economic pressures, an increasing number of communities across the country will be faced with nuclear power plant closures and the decommissioning of nuclear power reactors. These plant closures hold the potential to be incredibly disruptive to the economies of their local host communities. Since the closure of Vermont Yankee in my home State at the end of 2014, nuclear plants in Massachusetts and New York have announced that they will be closing in the coming years. Because there is no manual, no blueprint for these host communities to follow as they work to deal with the economic impacts of plant, and given the long term implications of storing nuclear waste, I have encouraged our Federal agencies to look for ways to help. While the challenges these communities face are unique, the expertise of agencies like the Economic Development Administration could play an important role in helping them move forward.

The administration and the Department have rightly harnessed the Federal Government's resources to help communities with coal based economies through the Partnerships for Opportunity and Workforce and Economic Revitalization initiative. I believe that EDA should expand this initiative to include nuclear host communities. The EDA should work with plants and communities that have already been through this process to share their lessons learned and help support efforts in nuclear communities still in the process of transitioning their economies.

Secretary Pritzker, given the significant social and economic impacts a nuclear plant closure has on a community, what resources can the Department make available to help transition local economies to new opportunities?

Answer. EDA is committed to helping all communities in economic distress, including those impacted by nuclear plant closures. EDA has Economic Development Representatives (EDRs) assigned to each State and Territory. Those EDRs work directly with the economic development districts in communities to help them identify their economic needs and grant programs that can address those needs. EDA grant funds can be used to provide important support such as designing a transition strategy, constructing or upgrading public infrastructure, conducting feasibility or environmental studies, supporting construction and operations of incubators and business accelerators, capitalizing locally or regionally administered Revolving Loan Funds for entrepreneurs competing in a growing 21st century business climate.

Question. Unlike the President's POWER initiative, however, there are few resources available to the changing landscape around nuclear energy power plants. Would the Department be open to including nuclear closures into this initiative and in what else can the Department do to expand other efforts to invest Federal eco-

conomic and workforce development resources in communities and regions negatively impacted by changes in the nuclear power economy?

Answer. While the POWER initiative is specifically focused on coal related economic needs, it represents a small portion of EDA's grant programs. The Department is working with other agencies to provide continuity of effort for economic resources to address needs of communities such as those affected by changes in the nuclear power sector. The administration has designated EDA to serve as the U.S. Government-wide leader in the integration of multiple Federal economic development resources to achieve successful economic development outcomes. This role for EDA addresses fragmented Federal economic development programs and will identify collaborative practices agencies should consider implementing in order to maximize the performance and results of Federal programs that share common outcomes.

Resources dedicated to the President's POWER initiative represents 7 percent of EDAs annual grant program. The remaining 93 percent is available to all economically distressed communities, regardless of their classification as a coal community, nuclear power community or any other categorization. EDA awards grants based on the merit of each application to maximize the benefit of each grant dollar. EDA works through its EDRs to help communities experiencing economic distress to help them identify their economic needs and government-wide grant programs that can address those needs.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

SALMON BIOLOGICAL OPINIONS

Question. Since the 2009 salmon biological opinion was issued, water pumping in California has been strictly regulated to prevent endangered fish from being killed by the pumps.

However, NOAA admits that numerous other factors (not directly related to pumping) also negatively impact the salmon, including:

- Loss of habitat,
- sediment build-up,
- predation by non-native species, and
- drought conditions generally.

Given all of these other factors, it does not seem right to me that the 2009 opinion focuses so heavily on pumping.

Secretary Pritzker, what proportion of total harm to the fish has NOAA attributed to water pumping versus all of the other issues NOAA has identified?

Answer. The analysis included in NOAA's 2009 biological opinion on the combined long-term operations of the Central Valley Project (CVP) and the State Water Project (SWP) determined that CVP/SWP operations are likely to jeopardize the continued existence of winter and spring-run Chinook salmon, Central Valley steelhead, the southern population of North American green sturgeon, and Southern Resident killer whales (which depend on Chinook salmon for food). Per regulatory interpretation of the jeopardy standard (50 CFR 402.02), this denotes that the combined operations of the CVP/SWP were determined to result in appreciable reductions in the likelihood of both the survival and recovery of these species in the wild.

It is important to note that these analyses were designed to determine whether or not appreciable reductions in survival and recovery of the above listed species were reasonably expected to occur as a result of the operations of the projects. They were not designed to quantify the absolute amount of reduction or the resulting population characteristics (absolute abundance, for example) that could occur as a result of project implementation.

More information about the relative impacts of CVP/SWP operations on the above listed species can be found in the 2009 opinion (http://www.westcoast.fisheries.noaa.gov/publications/Central_Valley/Water%20Operations/Operations,%20Criteria%20and%20Plan/nmfs_biological_and_conference_opinion_on_the_long-term_operations_of_the_cvp_and_swp.pdf).

MONITORING OF SALMON IN THE DELTA

Question. I understand that NOAA has conducted several real-time monitoring pilot programs to get a better sense of where exactly fish are in the Delta.

In 2013, NOAA began implanting acoustic tags into endangered winter-run Chinook salmon. In 2015, NOAA began testing cheaper radio-frequency identification (RFID) tags. With these tags, I understand that individual salmon can then be monitored in real-time.

Secretary Pritzker, how much of the salmon population in the Delta has NOAA now tagged?

Answer. NOAA has tagged 300–600 hatchery-produced Sacramento River winter-run Chinook salmon with acoustic tags each year since 2013. This is a fraction (0.2 percent) of the overall annual hatchery production of winter-run Chinook, but tracking this proportion is enough to reasonably approximate the overall movement and survival of hatchery-produced winter-run Chinook in the Sacramento-San Joaquin system.

At this time, NOAA is not acoustically tagging native, wild-born winter-run Chinook in the Sacramento-San Joaquin system, as this process is much more complicated due to the variable size of individual fish (some too small to hold a tag) and to the intensive cost, time, and labor demands associated with catching a large enough volume of fish to tag in the wild.

Question. When does NOAA expect to transition these monitoring programs from the pilot stage to large-scale implementation?

Answer. NOAA is currently evaluating the performance of the latest types of tag technology, known as radio-frequency identification (RFID) tagging, to assess whether it would be a useful complement to acoustic tagging in the Sacramento-San Joaquin system. RFID tags are smaller and cheaper, allowing many more and a broader range of fish sizes to be tagged. We expect to have results from this evaluation before the end of calendar year 2017.

Question. How will NOAA use these tags to help the Federal Government make more informed decisions about water pumping levels?

Answer. Data from existing tagging programs (as well as traditional trawl and seine surveys combined with genetic stock identification) are critical to NOAA's ongoing development of forecasting models for salmon. The models relate data from tagging studies and models and observations of flow, water project operations, and water quality to patterns of salmon movement, development, and survival. Models will provide the basis for predicting when juvenile salmon will arrive at project facilities, and how operations will impact them. NOAA is working with other Federal agencies, including the U.S. Bureau of Reclamation (Reclamation), to potentially expand the scale of tagging programs in the Sacramento-San Joaquin.

INCREASING NOAA'S UNDERSTANDING OF SALMON MIGRATION

Question. The Fish and Wildlife Service recently began using "early warning survey" sites in their ongoing efforts to increase their real-time monitoring of the endangered Delta Smelt. The Service will then conduct periodic, sometimes daily, boat trawls at these locations to determine whether, in fact, smelt are present.

Secretary Pritzker, aside from acoustic tags, what efforts has NOAA Fisheries undertaken to test whether or not salmon are, in fact, present in the Delta during migratory periods?

Answer. In addition to the tagging work described above, early warning surveys for salmon are described in Reasonable and Prudent Alternative (RPA) Action IV of the 2009 biological opinion, and include rotary screw trapping, trawling, beach seining, and observations of salvage at the pumping plants in the south Delta. NMFS coordinates early survey monitoring through the Interagency Ecological Program. NMFS is a member along with the U.S. Fish and Wildlife Service and California Department of Fish and Wildlife.

Question. Secretary Pritzker, what efforts has NOAA Fisheries undertaken to understand the influence of water exports on migration, specifically, whether exports above –5,000 cubic feet per second do increase the risk of entrainment?

Answer. Research from the California Department of Water Resources (DWR) has demonstrated that loss of older juveniles at the CVP and SWP fish collection facilities increases sharply at Old and Middle River (OMR) flows of approximately –5,000 cfs; and, that for any given increase in OMR flows more negative than –5,000 cfs, loss increases at a faster and faster (i.e., exponential) rate.

Tagging studies by U.S. Fish and Wildlife Service also demonstrate that the relationship between entrainment and reverse Old River flows is not linear, and that for every unit of more negative river flows, you will see a much larger increase in the number of entrained fish. (Based on a U.S. Fish and Wildlife Service study (Vogel 2002), examining entrainment of juvenile salmonids at the pumping facilities at different levels of negative flow in Old River (half of 'OMR'), which showed that entrainment doubles when Old River flows go from –500 cfs/–1,000 cfs to –4,000 cfs/–6,000 cfs. Vogel, D.A. 2002. Juvenile Chinook salmon radio-telemetry study in the southern Sacramento San Joaquin Delta, December 2000–January 2001, Contract report for the U.S. Fish and Wildlife Service. Natural Resource Scientists, Inc. June 2002. 27 p. plus appendices.)

Because of the non-linear increase in the number of entrained fish associated with every unit of more negative river flows, it is critical to consider this high rate of increase in mortality when examining changes to negative OMR flows from those that are specified in the 2009 opinion.

SHASTA DAM COLD WATER

Question. As NOAA has acknowledged, there are many reasons for the decline of winter-run salmon besides water pumping, such as a lack of cold water behind Shasta Dam.

However, Federal agencies have failed to manage this vital and limited cold water pool for 2 straight years. In 2014, the agencies failed to accurately estimate how much cold water was available and therefore improperly drained all of the cold-water by mid-September. As a result, temperatures in the Sacramento River rose to 62 degrees—fatal for the salmon eggs.

In 2015, the agencies failed to anticipate that temperatures at Shasta would be higher than expected and unnecessarily withheld water late into the planting season when it would have been most useful to farmers.

Secretary Pritzker, how is NOAA working with other Federal agencies to ensure that the failures of 2014 and 2015 aren't repeated?

Answer. NMFS, Department of Interior (DOI) U.S. Bureau of Reclamation (Reclamation), and California Department of Water Resources (DWR) are considering different ways to balance the needs of communities and Sacramento winter-run Chinook salmon. We will need to be vigilant in our management decisions this year to ensure protection of the third year class of winter-run Chinook through early fall.

On June 28, 2016, NMFS determined that Reclamations' operating plan for the Shasta reservoir for 2016 and their commitment to achieve and maintain specified temperatures in the Sacramento River are consistent with the legal requirements of the Endangered Species Act. The revised plan will provide adequate in-river temperatures for young Chinook salmon throughout the season. Reclamation's commitment to monitor conditions and reduce flows to ensure cold temperatures in the reservoir late in the season are vital in this effort.

In addition, last year, NMFS Southwest Fisheries Science Center worked with DOI's Reclamation and academic partners to temporarily install and test a distributed temperature sensing (DTS) system in Lake Shasta near the dam. DTS uses a laser and fiber optic cable to acquire high-resolution temperature data. The DTS was installed as a pilot project to serve as an independent and redundant system for measuring the thermal profile of the lake. The system performed well in 2015, and NMFS is working with Reclamation to identify funding for its permanent installation.

NOAA is also currently developing a system of physical and biological models to inform water management in the Shasta Reservoir/Sacramento River system to improve survival of endangered winter-run Chinook salmon and threatened green sturgeon. The models will provide information on how temperature and hydrodynamics influence salmon and green sturgeon survival. Associated field and laboratory studies are needed to generate critical data. In fiscal year 2016, NMFS work will include progress on modeling, scientific oversight, and project management and administration. In addition, NMFS is planning field and lab studies dependent on reimbursable funds provided to NOAA from partners, including DOI's Reclamation and California Department of Fish and Wildlife. The planned field and lab studies are an expansion of the current monitoring efforts in the region that focus on improving the science for Shasta Reservoir temperature management.

Question. Can NOAA prove that the actions it takes to restrict water releases from Shasta have actually prevented even higher mortality rates?

Answer. Yes, without the restricted water releases, cold water resources would have been depleted sooner and river temperatures would have reached higher levels at an earlier date. That situation would result in greater than 95 percent mortality and potentially the complete loss of two consecutive cohort years of endangered Winter-run Chinook salmon. Even small percentage reductions in survival are critical for recovering populations.

Key steps to improving the management of Shasta Reservoir's cold water storage and to restore and reintroduce winter-run Chinook to their historic habitats are contained in the 2015 Sacramento River Winter Run Chinook Salmon Species in the Spotlight Priority Action Plan: (http://www.nmfs.noaa.gov/stories/2016/02/docs/sacramento_winter_run_chinook_salmon_spotlight_species_5_year_action_plan_final_web.pdf).

QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER A. COONS

Question. How will permanently adjusting the Federal cost share requirements for MEP Centers to 'one to one' improve the MEP program?

Answer. Since 1998, the NIST MEP program has prescribed that for the first 3 years of a center's cooperative agreement the cost share ratio is 50/50 (1:1) Federal to non-Federal decreasing to one-third Federal funding the sixth year and beyond. The need to generate \$2 of non-Federal money for every \$1 provided by NIST led centers to focus their time and attention on manufacturing firms capable of paying for the center's services. In some few instances, the State government provided substantial cost matching, allowing some centers to expand their reach to a broader market.

Several recent reports outline the need to examine the impact of changing the cost share requirement. In the America COMPETES Reauthorization Act of 2010 (Public Law 111-358), Congress directed the Comptroller General (GAO) to submit to Congress a report on cost share requirements of the MEP program with recommendations to provide for long term sustainability of the program. GAO submitted a report in April 2011, but did not provide recommendations that would allow the Secretary of Commerce to alter the cost share structure. In the House Report (H. Rept. 112-169) to accompany the Commerce, Justice, Science, and Related Agencies Appropriations Bill, 2012, Congress directed the Secretary of Commerce to draft criteria for establishing specific cost share for the MEP program. In addition, at the June 2013 National Advisory Board Meeting, the NIST Director presented the following charge: "the Board is requested to immediately initiate a review of the cost share structure" and provide recommendations by September 30, 2013. The MEP National Advisory Board successfully completed this charge and transmitted a report to the NIST Director on October 18, 2013. The Advisory Board found "that changing the cost share requirement would have numerous beneficial impacts, including: (a) serving more companies, (b) making cost share available for other program investments, (c) focusing on delivering services to manufacturers that are affordable, (d) decreasing the amount of time seeking less valuable cost share, (e) better serving the needs of regional stakeholders, (f) relieving administrative burden, and (g) promoting innovation, technology transfer and acceleration."

During 2014, both the House and Senate drafted legislation that included language about the permanent readjustment of cost share to a 1:1 ratio. On July 22, 2014 the House of Representatives passed H.R. 5035—NIST Reauthorization Act of 2014 and on July 31, 2014 the Senate introduced S. 2757—America COMPETES Reauthorization Act of 2014 both of these included, among other items the permanent readjustment of MEP cost share to 1:1. The House also passed on May 20, 2015, H.R. 1806—America COMPETES Reauthorization Act of 2015 that again included the cost share adjustment.

In the interim, NIST MEP began a multi-year system wide competition of the MEP Center network to refresh the system, something that had not been done on a broad scale in the program's history. A major objective of the competitions was to increase Federal funding in States that have historically been underfunded, while at the same time, re-setting the program's priorities to focus on a broader market that included more rural, very small and start-up manufacturers. This was accomplished by reallocating headquarters funding to the local Centers. One consequence of the re-compete is that the cost share ratio has been re-set to 1:1 for those centers that were selected through the competition. Note, however, that this is a temporary re-set and those centers cost share will rise beginning in year 4 until it reaches 2:1 again in year 6.

Beginning on August 1, 2014, NIST MEP conducted an initial competition in 10 States (Colorado, Connecticut, Indiana, Michigan, North Carolina, New Hampshire, Oregon, Tennessee, Texas, and Virginia) and the awards were announced in February 2015. On March 9, 2015, a second round of competitions across 12 States (Alaska, Idaho, Illinois, Minnesota, New Jersey, New York, Ohio, Oklahoma, Utah, Washington, Wisconsin, and West Virginia) was launched and the awards were announced in November 2015 [1]. As a result, 20 States were successfully competed in the first two rounds.

NIST MEP has undertaken an examination of the experiences of these 20 centers to determine what changes occurred as a direct result of the new awards. As a result of the competitions, almost \$14 million in new Federal funding was allocated to these 20 centers. Most importantly, the competition leveraged more non-Federal dollars compared to the increase in Federal investment. The increase in cash cost share from both State investment and client revenues increased significantly and to a greater extent than in-kind cost share. Cash cost share match to Federal funding, including both state contributions and client fees, increased by over \$22 million

and in-kind contributions (or non-cash match) rose by just over \$2 million. In addition to the changes in cost share, a majority of the 10 centers from round 1 reported that they had increased their focus on very small and rural manufacturers, brought in new resources and partners aimed at workforce development, increased their focus on helping manufacturing companies grow (rather than just increase operational efficiencies) and increased their technology acceleration activities and partnerships with the Institutes of the National Network for Manufacturing Innovation.

No awards were made in Ohio and Utah in the second round.

Question. What can be done to help MEP Centers improve their engagement with small and rural manufacturers?

Answer. MEP's increased focus on very small and rural manufacturers is of recent origin, having begun with the first round of center re-competition awards initiated on July 1, 2015. Since that time, NIST MEP has held several sessions with the centers at our quarterly update meeting to share approaches and lessons learned on engaging and working with very small, rural and start-up manufacturers. The result of those sessions is that centers that have worked with more very small, rural and start-up manufacturers have shared what works and does not with those which are new to that focus. NIST MEP is also developing a performance-based Federal funding opportunity document, to be published in October 2016, which will allow centers to apply for funds to carry out pilot projects related to engagement of very small, rural and start-up manufacturers. The results of those pilots will be shared across the system to accelerate the growth and improvement in performance of those manufacturers.

QUESTIONS SUBMITTED BY SENATOR TAMMY BALDWIN

Question. My frustrations with trade enforcement can be illustrated by the experience of a paper company in my State—Appvion. Appvion has requested reviews of foreign companies suspected of circumventing trade laws to import lightweight thermal paper, yet the Commerce Department has no ability to compel these companies cooperate with their investigation. Importers continue to bring product into the U.S. marketplace without paying the appropriate duties by trans-shipping or mis-labeling product.

In 2012, President Obama signed an Executive order to establish the Interagency Trade Enforcement Center (ITEC) to enhance enforcement of U.S. trade laws. And while the ENFORCE Act provisions in the recently passed customs legislation contains many worthwhile provisions to improve trade enforcement, we still lack the ability to compel foreign companies to comply.

My question for you, Madame Secretary, is what recourse exists for a company like Appvion in situations like this? Can you explain what is needed from Congress to provide Commerce with the ability to go after these bad actors and provide a level playing field for Wisconsin manufacturers?

Answer. The International Trade Administration's Enforcement & Compliance Division at the Department of Commerce has primary responsibility to administer the antidumping duty and countervailing duty (AD/CVD) laws, which are designed to counter unfair trade practices that injure U.S. industries in our domestic market. We conduct AD and CVD investigations and subsequent administrative reviews to determine whether imported merchandise is dumped (that is, sold in the United States at less than fair or normal value) or subsidized by foreign governments. If, as a result of our investigation, we find that imports have been dumped or unfairly subsidized, and if the International Trade Commission finds that a domestic industry has been injured as a result of the unfairly-traded imports, we issue an antidumping duty or countervailing duty order. When that happens, we instruct U.S. Customs and Border Protection (CBP) to require importers to pay cash deposits whenever they import merchandise subject to the orders. Thereafter, on an annual basis, we will conduct an administrative review of the entries from the past year to determine the actual level of dumping or subsidization during the prior 1 year period.

During the course of our proceedings, particularly our administrative reviews, Commerce is sometimes provided information that indicates possible evasion of the AD/CVD laws and duties owed pursuant to particular orders. In these situations we provide that information to, and work in close cooperation with, CBP, Immigration and Customs Enforcement (ICE) and the Department of Justice (Justice) to assist their efforts in enforcing the customs laws and ensuring our border measures are effective. Upon examination of the information provided, Department of Homeland Security components may find the information sufficient to initiate an investigation

which may result in the imposition of civil or criminal penalties and fines on parties involved in the evasion scheme.

Commerce's role in detecting and deterring the circumvention of antidumping and countervailing duties is addressed in Section 781 of the Tariff Act of 1930 (the Act). Commerce may conduct circumvention inquiries when it is alleged that minor alterations are being made to subject merchandise in order to evade AD/CVD orders. Commerce may also conduct circumvention inquiries when it is alleged that merchandise subject to an order is completed or assembled in the United States or other foreign countries from parts and components imported from the country subject to the order. Finally, Commerce can find that later-developed merchandise may also be covered by an existing order.

In an example of circumvention, Commerce encountered a circumstance whereby parties were importing Polyethylene Retail Carrier Bags (essentially plastic shopping bags) that had undergone all of the production steps except the last step, which was to stamp out an opening and create handles for the bags. Because the language of the AD order specified that the bags covered by the order have handles, parties attempted to circumvent the order by merely performing this last step in the United States after the unfinished merchandise cleared Customs. Alerted to this scheme again by CBP port officials (though, just as often, members of domestic industry such as Appvion will alert Commerce to instances of possible circumvention), Commerce used the information to initiate a circumvention inquiry and, ultimately, to find the product to be covered by the order.

With regard to your specific question about cooperation of respondent companies, when respondent firms refuse to participate or cooperate in an antidumping (AD) or countervailing duty (CVD) proceeding, the statute authorizes Commerce to determine dumping margins and subsidy rates based on adverse inferences. The dumping margins and subsidy rates calculated using adverse inferences are likely higher than they would have been had the firm in question participated in the proceeding. As such, Commerce's application of adverse inferences is designed to encourage participation and cooperation in future proceedings. Other than the application of adverse facts available, however, Commerce lacks the ability to directly compel foreign firms to participate in AD and CVD proceedings. For example, unlike the International Trade Commission, Commerce does not have subpoena power to compel cooperation.

The Trade Facilitation and Trade Enforcement Act of 2015/Customs Cooperation on Duty Evasion and the American Trade Enforcement Effectiveness Act of 2015 (ATEEA) provides CBP with additional tools to ensure compliance with customs and trade remedy laws. For example, under the ATEEA, CBP shall establish targeted risk assessment methodologies and standards that are geared toward evaluating the risk of cargo destined to the United States that may be violating U.S. customs and trade remedy laws. Further, in developing these targeting methodologies, CBP may rely on internal data from its National Targeting Center, publicly available data, and data submitted to CBP by private parties. Based on this risk assessment, CBP may issue Trade Alerts in which the National Targeting Center directs CBP staff at U.S. ports to subject targeted cargo to further scrutiny in order to ensure compliance with customs and trade remedy laws. Further, under the ATEEA, CBP will establish Importer of Record and Importer Risk Assessment Programs that will improve CBP's ability to vet and track the operations of entities that serve as importers of record.

These provisions of the ATEEA will improve CBP's ability to collect dumping and subsidy duties owed by importers of record, particularly with regard to new and non-resident importers of record. Additionally, the ATEEA increases the level of due diligence that customs brokers must perform when vetting the identity and information supplied by importers of record. Another aspect of the Act provides CBP the authority to issue questionnaires and conduct on-site verifications of information submitted to CBP by foreign exporters and producers.

Commerce will continue to support CBP's enforcement activities as CBP takes steps to ensure that the Act's provisions are implemented and vigorously enforced.

The trade remedy laws provide mechanisms for Commerce to investigate properly filed allegations that imports are circumventing AD or CVD orders that are in place. The statutory mandate for investigating customs fraud or evasion of AD and CVD orders falling outside the scope and circumvention provisions (e.g., through mislabeling or transshipment) resides with CBP. Should evidence of fraud or evasion come to light in a Commerce proceeding, Commerce passes that information on to CBP for analysis and investigation. Where CBP finds such activity, customs law provides for the application of penalties to importers that are misclassifying merchandise upon entry into the United States or otherwise committing fraud on the United States Government.

Question. Madam Secretary I'd like to talk about the Economic Development Administration's Regional Innovation Strategies Program. In my view, this program is a great example of what a Federal program should be—it brings diverse entities together, it leverages Federal and private dollars, and it helps local economies.

I'm especially pleased with this program because of its impact on Wisconsin. Organizations like the Water Council and the Wisconsin Technology Council have benefited from the program, and I'm excited about our most recent winner of an i6 award—The University of Wisconsin at Stevens Point who won a grant to examine how to turn vegetable processing byproducts into commercial products. This project is especially exciting because it's bringing together many entities, like Heartland Farms, Pavelski Legacy Partners, the Wisconsin Potato and Vegetable Growers Association, and the Wisconsin Economic Development Corporation.

While I appreciate your support for the program by requesting \$20 million, \$5 million above last year's enacted level, this is still \$5 million below last year's request and I would like to receive an assurance from you that this program is still as important to your Department as it is to my constituents.

Answer. EDA assures that the Regional Innovation Strategies (RIS) program remains an important part of its programs and is integral to accomplishing the administration's and Department's strategic priorities. Over the past 2 years EDA has taken significant steps to build permanent support for these grants by hiring four career Federal employees into the Office of Innovation and Entrepreneurship (OIE), which oversees these grants. Furthermore, OIE worked with staff from EDA's headquarters and its six Regional Offices to streamline the RIS program grant operations, further integrating the Regional Office staff into this process. Finally, EDA has requested \$5 million more in the 2017 President's budget than was enacted for fiscal year 2016. EDA takes great care to reach the best balance among its programs and the fiscal year 2017 President's budget request represents that balance.

SUBCOMMITTEE RECESS

Now, the subcommittee will stand in recess until Thursday, March 10, at 10:30 a.m. when we take the testimony of NASA Administrator Charles Bolden.

[Whereupon, at 11:57 a.m., Thursday, March 3, the subcommittee was recessed, to reconvene at 10:30 a.m., Thursday, March 10.]